

Jessica L. Meyer (CA # 249064)  
 Lindquist & Vennum P.L.L.P.  
 4200 IDS Center  
 80 South Eighth Street  
 Minneapolis, MN 55402  
 Tel.: 612-371-3211  
 Fax: 612-371-3207  
 jmeyer@lindquist.com

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RICHARD W. WIEKING  
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 OAKLAND

Attorneys for Plaintiffs

## UNITED STATES DISTRICT COURT

## NORTHERN DISTRICT OF CALIFORNIA

John R. Stoebner, as Chapter 7 Trustee for )  
 PBE Consumer Electronics, LLC and )  
 related entities; and Douglas A. Kelley, as )  
 Chapter 11 Trustee for Petters Company, )  
 Inc. and related entities, and as Receiver )  
 for Petters Company, LLC and related )  
 entities, )

Plaintiffs, )

v. )

LG Electronics, Inc.; LG Electronics )  
 U.S.A., Inc.; LG Electronics Taiwan Taipei )  
 Co., Ltd.; Koninklijke Philips Electronics )  
 N.V. a/k/a Royal Philips Electronics N.V.; )  
 Philips Electronics North America )  
 Corporation; Philips Electronics Industries )  
 (Taiwan), Ltd.; Philips da Amazonia )  
 Industria Electronica Ltda; LP Displays )  
 International, Ltd. f/k/a LG.Philips )  
 Displays; )  
 Samsung Electronics Co., Ltd.; )  
 Samsung Electronics America, Inc.; )  
 Samsung SDI Co., Ltd. f/k/a Samsung )  
 Display Device Co., Ltd.; Samsung SDI )  
 America, Inc.; Samsung SDI Mexico S.A. )  
 de C.V.; Samsung SDI Brasil Ltda.; )  
 Shenzhen Samsung SDI Co., Ltd.; Tianjin )  
 Samsung SDI Co., Ltd.; )  
 Samsung SDI (Malaysia) Sdn. Bhd.; )  
 Toshiba Corporation; )  
 Toshiba America, Inc.; )  
 Toshiba America Consumer Products, )

Court File No. C11-05381 EDL

COMPLAINT

ADR

EXHIBIT A

**LLC; Toshiba America Information** )  
**Systems, Inc.; Toshiba America Electronics** )  
**Components, Inc.; Toshiba Display Devices** )  
**(Thailand) Company, Ltd.;** )  
**Panasonic Corporation;** )  
**Panasonic Corporation of North America;** )  
**MT Picture Display Co., Ltd.;** )  
**Beijing-Matsushita Color CRT Company,** )  
**Ltd.; Hitachi, Ltd.; Hitachi Displays, Ltd.,** )  
**Hitachi Electronic Devices (USA), Inc.;** )  
**Hitachi America, Ltd.; Hitachi Asia, Ltd.;** )  
**Shenzhen SEG Hitachi Color Display** )  
**Devices, Ltd.; Tatung Company of** )  
**America, Inc., Chunghwa Picture Tubes** )  
**Ltd.; Chunghwa Picture Tubes (Malaysia)** )  
**Sdn. Bhd.; IRICO Group Corporation;** )  
**IRICO Display Devices Co., Ltd.;** )  
**IRICO Group Electronics Co., Ltd.;** )  
**Thai CRT Company, Ltd.; and** )  
**Samtel Color, Ltd.,** )

**Defendants.**

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1 Plaintiffs John R. Stoebner, as Chapter 7 Trustee for PBE Consumer Electronics, LLC  
2 and related entities, and Douglas A. Kelley, as Chapter 11 Trustee for Petters Company, Inc. and  
3 related entities and as Receiver for Petters Company, LLC and related entities (collectively  
4 "Plaintiffs"), bring this action for damages and injunctive relief under state and federal antitrust,  
5 unfair competition, and consumer protection laws against the Defendants named herein,  
6 demanding trial by jury, and complaining and alleging as follows:

### 7 I. INTRODUCTION

8  
9 1. Plaintiffs indirectly purchased Cathode Ray Tube Products ("CRT Products") (as  
10 further defined below), in the United States from Defendants, their predecessors, any subsidiaries  
11 or affiliates thereof, or any of their unnamed co-conspirators, during the period beginning at least  
12 as early as March 1, 1995 until at least November 25, 2007 (the "Relevant Period"). Plaintiffs  
13 allege that during the Relevant Period the Defendants conspired to fix, raise, maintain and/or  
14 stabilize prices of CRT Products sold in the United States. Because of Defendants' unlawful  
15 conduct, Plaintiffs paid artificially inflated prices for CRT Products and have suffered antitrust  
16 injury to their business or property.

17 2. As further detailed below, beginning in at least 1995, Defendants Samsung,  
18 Philips, LG, Chunghwa, and others met or talked with at least one other Defendant in order to  
19 discuss and agree upon CRT Product prices and the amount of CRT Products each would  
20 produce. Over time, these Defendants reached out to the other Defendant CRT Product  
21 manufacturers, including Toshiba, Panasonic, Hitachi, BMCC, IRICO, Thai CRT and Samtel,  
22 who then also met or talked with their competitors for the purpose of fixing the prices of CRT  
23 Products. By 1997, a formal system of multilateral and bilateral meetings was in place,  
24 involving the highest levels of the Defendant corporations, all with the sole purpose of fixing the  
25 prices of CRT Products at supracompetitive levels.

26 3. Throughout the Relevant Period, Defendants' conspiracy was effective in  
27 moderating the normal downward pressure on prices for CRT Products caused by periods of  
28

1 oversupply and competition from new technologies, such as TFT-LCD and Plasma. Defendants'  
 2 conspiracy resulted in unusually stable pricing and even rising prices in a very mature, declining  
 3 market. As a result of Defendants' unlawful conduct, Plaintiffs paid higher prices for CRT  
 4 Products than they would have paid in a competitive market.

5 4. This global conspiracy is being investigated by the Antitrust Division of the  
 6 United States Department of Justice ("DOJ"), and by several other international competition  
 7 authorities. On February 10, 2009, a federal grand jury in San Francisco issued a two-count  
 8 indictment against C.Y. Lin, the former Chairman and CEO of Defendant Chunghwa Picture  
 9 Tubes, Ltd., for his participation in a global conspiracy to fix the prices of CRTs used in  
 10 computer monitors and televisions. On March 18, 2011, Samsung SDI pled guilty and agreed to  
 11 pay a \$32 million criminal fine for its role in a global conspiracy to fix prices, reduce output and  
 12 allocate market shares of color display tubes, a type of cathode ray tube used in computer  
 13 monitors. The criminal information states that the illegal combination and conspiracy was carried  
 14 out, in part, in the Northern District of California. Preceding Samsung SDI's guilty plea, Wen  
 15 Jun ("Tony") Cheng, Chung Cheng "Alex" Yeh, Seung-Kyu "Simon" Lee, Yeong-Ug "Albert"  
 16 Yang and Jae-Sik "J.S." Kim were indicted for their participation in the color display tube  
 17 conspiracy.

## 18 II. JURISDICTION AND VENUE

19 5. This action is instituted under Section 16 of the Clayton Act, 15 U.S.C. § 26, to  
 20 obtain injunctive relief for violations of Section 1 of the Sherman Act, 15 U.S.C. § 1, to recover  
 21 damages under Minnesota and California antitrust and unfair competition laws, and to recover  
 22 costs of suit, including reasonable attorneys' fees, for the injuries that Plaintiffs sustained as a  
 23 result of the Defendants' violations of those laws.

24 6. The Court has subject matter jurisdiction over the federal claim under 28 U.S.C.  
 25 §§ 1331 and 1337. The Court has subject matter jurisdiction over the state law claims under 28  
 26 U.S.C. § 1367 because those claims are so related to the federal claim that they form part of the  
 27 same case or controversy.  
 28

1           7.       Venue is proper in this Judicial District pursuant to Section 12 of the Clayton Act  
2 (15 U.S.C. § 22) and 28 U.S.C. § 1391 (b), (c) and (d), because during the Relevant Period one  
3 or more of the Defendants resided, transacted business, was found, or had agents in, this district,  
4 and because a substantial part of the events giving rise to Plaintiffs' claims occurred in this  
5 district, and a substantial portion of the affected portion of the interstate trade and commerce  
6 described below has been carried out in this district.

7           8.       Defendants conduct business throughout the United States, including this  
8 jurisdiction, and they have purposefully availed themselves of the laws of the United States,  
9 including specifically the laws of the states of California and Minnesota. Defendants' products  
10 are sold in the flow of interstate commerce, and Defendants' activities had a direct, substantial  
11 and reasonably foreseeable effect on such commerce.

12           9.       Defendants' conspiracy to fix the prices of CRT Products substantially affected  
13 commerce throughout the United States and specifically in California and Minnesota, because  
14 Defendants directly or through their agents, engaged in activities affecting the states of  
15 California and Minnesota. Defendants have purposefully availed themselves of the laws of  
16 California and Minnesota in connection with their activities relating to the production,  
17 marketing, and sale and/or distribution of CRT Products. Defendants produced, promoted, sold,  
18 marketed, and/or distributed CRT Products, thereby purposefully profiting from access to  
19 indirect purchaser consumers in California and Minnesota. As a result of the activities described  
20 herein, Defendants:

- 21           a.       Caused damage to the Plaintiffs in the United States, including the states  
22                      of California and Minnesota;
- 23           b.       Caused damage in the states of California and Minnesota by acts or  
24                      omissions committed outside California and Minnesota and by regularly  
25                      doing or soliciting business in California and Minnesota;
- 26           c.       Engaged in a persistent course of conduct within the states of California  
27                      and Minnesota and/or derived substantial revenue from the marketing and  
28

1 sale of CRT Products in California and Minnesota; and

2 d. Committed acts or omissions that they knew or should have known would  
 3 cause damage (and, in fact, did cause damage) in the states of California  
 4 and Minnesota while regularly doing or soliciting business in California  
 5 and Minnesota, engaging in other persistent courses of conduct in  
 6 California and Minnesota, and/or deriving substantial revenue from the  
 7 marketing and sale of CRT Products in California and Minnesota.

8 10. The conspiracy described herein adversely affected Plaintiffs, who indirectly  
 9 purchased Defendants' CRT Products. Defendants' conspiracy has resulted in an adverse  
 10 monetary effect on indirect purchasers, including Plaintiffs.

11 11. Prices of CRT Products in California and Minnesota were raised to  
 12 supracompetitive levels by the Defendants and their co-conspirators. Defendants knew that  
 13 commerce in CRT Products in California and Minnesota would be adversely affecting by  
 14 implementing their conspiracy.

### 15 **III. DEFINITIONS**

16 12. As used herein, the term "CRT" or "CRTs" stands for "cathode ray tube(s)." A  
 17 CRT is a display technology used in televisions, computer monitors and other specialized  
 18 applications. The CRT is a vacuum tube that is coated on its inside face with light sensitive  
 19 phosphors. An electron gun at the back of the vacuum tube emits electron beams. When the  
 20 electron beams strike the phosphors, the phosphors produce either red, green, or blue light. A  
 21 system of magnetic fields inside the CRT, as well as varying voltages, directs the beams to  
 22 produce the desired colors. This process is rapidly repeated several times per second to produce  
 23 the desired images.

24 13. There are two types of CRTs: color display tubes ("CDTs") which are used in  
 25 computer monitors and other specialized applications; and color picture tubes ("CPTs") which  
 26 are used in televisions. CDTs and CPTs are collectively referred to herein as "cathode ray tubes"  
 27 or "CRTs."  
 28



14. As used herein "CRT Products" includes (a) CRTs; and (b) products containing CRTs, such as television sets and computer monitors.

15. The "Relevant Period" means the period beginning at least March 1, 1995 through at least November 25, 2007.

16. "Person" means any individual, partnership, corporation, association, or other business or legal entity.

17. "OEM" means any Original Equipment Manufacturer of CRT Products.

#### IV. PLAINTIFFS

18. John R. Stoebner is the Trustee of the Chapter 7 bankruptcy estates of PBE Consumer Electronics, LLC, f/k/a Polaroid Consumer Electronics, LLC and Petters Consumer Brands, LCC, and related entities. PBE Consumer Electronics, LLC, its related entities, and Stoebner, in his official capacity as the Trustee thereof, collectively are referred to as "Polaroid." The Polaroid bankruptcy estates are jointly administered in the United States Bankruptcy Court, District of Minnesota, as *In re Polaroid Corporation, et al.*, Case No. 08-46617(GFK). During the Relevant Period, Polaroid Consumer Electronics, LLC operated and did business in Minnesota, indirectly purchased CRT Products from one or more of the Defendants or their co-conspirators, and has been injured by reason of the antitrust violations alleged in this Complaint.

19. Douglas A. Kelley is the Trustee of the Chapter 11 bankruptcy estate for Petters Company, Inc., which is jointly administered with several other affiliated debtors in the United States Bankruptcy Court, District of Minnesota, as *In re Petters Company, Inc., et al.*, Case No. 08-45257(GFK).

20. Douglas A. Kelley is also the Receiver for Petters Company, LLC, pursuant to the order of the United States District Court, District of Minnesota, in *United States v. Thomas Joseph Petters, et al.*, Case No. 08-CV-05348(ADM/JSM).

21. Petters Company, Inc., Petters Company, LLC, and Kelley, in his official capacity as Trustee and Receiver respectively thereof, collectively are referred to as "Petters." During the relevant period, Petters operated and did business in Minnesota, indirectly purchased CRT

1 Products from one or more of the Defendants or their co-conspirators, and has been injured by  
 2 reason of the antitrust violations alleged in this Complaint.

3 22. Polaroid and Petters collectively are referred to as "Plaintiffs."

#### 4 V. DEFENDANTS

##### 5 LG Electronics Entities

6 23. Defendant LG Electronics, Inc. is a corporation organized under the laws of the  
 7 Republic of Korea with its principal place of business located at LG Twin Towers, 20 Yeouido-  
 8 dong, Yeoungdeungpo-gu, Seoul 150-721, South Korea. LG Electronics, Inc. is a \$48.5 billion  
 9 global force in consumer electronics, home appliances and mobile communications, which  
 10 established its first overseas branch office in New York in 1968. The company's name was  
 11 changed from GoldStar Communications to LG Electronics, Inc. in 1995, the year in which it  
 12 also acquired Zenith in the United States. In 2001, LG Electronics, Inc. transferred its CRT  
 13 business to a 50/50 CRT joint venture with Defendant Koninklijke Philips Electronics N.V. a/k/a  
 14 Royal Philips Electronics N.V. forming Defendant LG.Philips Displays (n/k/a LP Displays  
 15 International, Ltd.). During the Relevant Period, LG Electronics, Inc. manufactured, marketed,  
 16 sold and/or distributed CRT Products, either directly or indirectly through its subsidiaries or  
 17 affiliates, to customers throughout the United States.

18 24. Defendant LG Electronics U.S.A., Inc. ("LGEUSA") is a Delaware corporation  
 19 with its principal place of business located at 1000 Sylvan Avenue, Englewood Cliffs, NJ 07632.  
 20 LG Electronics USA, Inc. is a wholly-owned and controlled subsidiary of Defendant LG  
 21 Electronics, Inc. During the Relevant Period, LG Electronics U.S.A., Inc. manufactured,  
 22 marketed, sold and/or distributed CRT Products, either directly or indirectly through its  
 23 subsidiaries or affiliates, to customers throughout the United States. Defendant LG Electronics,  
 24 Inc. dominated and controlled the finances, policies, and affairs of LGEUSA relating to the  
 25 antitrust violations alleged in this Complaint.

26 25. Defendant LG Electronics Taiwan Taipei Co., Ltd. ("LGETT") is a Taiwanese  
 27 entity with its principal place of business located at 7F, No.47, Lane3, Jihu Road, NeiHu District,  
 28

1 Taipei City, Taiwan. LGETT is a wholly-owned and controlled subsidiary of Defendant LG  
2 Electronics, Inc. During the Relevant Period, LGETT manufactured, marketed, sold and/or  
3 distributed CRT Products, either directly or indirectly through its subsidiaries or affiliates, to  
4 customers throughout the United States. Defendant LG Electronics, Inc. dominated and  
5 controlled the finances, policies, and affairs of LGETT relating to the antitrust violations alleged  
6 in this Complaint.

7 26. Defendants LG Electronics, Inc., LGEUSA, and LGETT are collectively referred  
8 to herein as "LG."

9 **Philips Entities**

10 27. Defendant Koninklijke Philips Electronics N.V. a/k/a Royal Philips Electronics  
11 N.V. ("Royal Philips") is a Dutch company with its principal place of business located at  
12 Amstelplein 2, Breitner Center, 1070 MX Amsterdam, The Netherlands. Royal Philips, founded  
13 in 1891, is one of the world's largest electronics companies, with 160,900 employees located in  
14 more than 60 countries. Royal Philips had sole ownership of its CRT business until 2001. In  
15 2001, Royal Philips transferred its CRT business to a 50/50 CRT joint venture with defendant  
16 LG Electronics, Inc. forming Defendant LG.Philips Displays (n/k/a LP Displays International,  
17 Ltd.). In December 2005, as a result of increased pressure on demand and prices for CRT  
18 Products, Royal Philips wrote off the remaining book value of 126 million Euros of its  
19 investment and said it would not inject further capital into the joint venture. During the Relevant  
20 Period, Royal Philips manufactured, marketed, sold and/or distributed CRT Products, either  
21 directly or indirectly through its subsidiaries or affiliates, to customers throughout the United  
22 States.

23 28. Defendant Philips Electronics North America Corporation ("PENAC") is a  
24 Delaware corporation with its principal place of business located at 1251 Avenue of the  
25 Americas, New York, NY 10020-1104. Philips Electronics NA is a wholly owned and  
26 controlled subsidiary of Defendant Royal Philips. During the Relevant Period, Philips  
27 Electronics NA manufactured, marketed, sold and/or distributed CRT Products, either directly or  
28

1 indirectly through its subsidiaries or affiliates, to customers throughout the United States.  
2 Defendant Royal Philips dominated and controlled the finances, policies, and affairs of PENAC  
3 relating to the antitrust violations alleged in this Complaint.

4 29. Defendant Philips Electronics Industries (Taiwan), Ltd. ("Philips Electronics  
5 Taiwan") is a Taiwanese company with its principal place of business located at 15F 3-1 Yuanqu  
6 Street, Nangang District, Taipei, Taiwan. Philips Electronics Taiwan is a subsidiary of  
7 Defendant Royal Philips. During the Relevant Period, Philips Electronics Taiwan manufactured,  
8 marketed, sold and/or distributed CRT Products, either directly or indirectly through its  
9 subsidiaries or affiliates, to customers throughout the United States. Defendant Royal Philips  
10 dominated and controlled the finances, policies, and affairs of Philips Electronics Taiwan  
11 relating to the antitrust violations alleged in this Complaint.

12 30. Defendant Philips da Amazonia Industria Electronica Ltda. ("Philips Brazil") is a  
13 Brazilian company with its principal place of business located at Av Torquato Tapajos 2236, 1  
14 andar (parte 1), Flores, Manaus, AM 39048-660, Brazil. Philips Brazil is a wholly-owned and  
15 controlled subsidiary of Defendant Royal Philips. During the Relevant Period, Philips Brazil  
16 manufactured, marketed, sold and/or distributed CRT Products, either directly or indirectly  
17 through its subsidiaries or affiliates, to customers throughout the United States. Defendant Royal  
18 Philips dominated and controlled the finances, policies, and affairs of Philips Brazil relating to  
19 the antitrust violations alleged in this Complaint.

20 31. Defendants Royal Philips, PENAC, Philips Electronics Taiwan, and Philips  
21 Brazil are collectively referred to herein as "Philips."

22 **LP Displays**

23 32. Defendant LP Displays International, Ltd. f/k/a LG.Philips Displays ("LP  
24 Displays") was created in 2001 as a 50/50 joint venture between Defendants LG Electronics, Inc.  
25 and Royal Philips Electronics of The Netherlands. In March 2007, LP Displays became an  
26 independent company organized under the laws of Hong Kong with its principal place of  
27 business located at Corporate Communications, 6<sup>th</sup> Floor, ING Tower, 308 Des Voeux Road  
28

Central, Sheung Wan, Hong Kong. LP Displays is a leading supplier of CRTs for use in television sets and computer monitors with annual sales for 2006 of over \$2 billion, and a market share of 27%. LP Displays announced in March 2007 that Royal Philips and LG Electronics would cede control over the company and the shares would be owned by financial institutions and private equity firms. During the Relevant Period, LP Displays manufactured, marketed, sold and distributed CRT Products, either directly or indirectly through its subsidiaries or affiliates, to customers throughout the United States.

### Samsung Entities

33. Defendant Samsung Electronics Co., Ltd. ("SEC") is South Korean company with its principal place of business located at Samsung Main Building, 250, 2-ga, Taepyong-ro, Jung-gu, Seoul 100-742, South Korea. During the Relevant Period, SEC manufactured, marketed, sold and/or distributed CRT Products, either directly or indirectly through its subsidiaries or affiliates, to customers throughout the United States.

34. Defendant Samsung Electronics America, Inc. ("SEAI") is a New York corporation with its principal place of business located at 105 Challenger Road, 6<sup>th</sup> Floor, Ridgefield Park, New Jersey 07660. SEAI is a wholly-owned and controlled subsidiary of defendant SEC. During the Relevant Period, SEAI manufactured, marketed, sold and/or distributed CRT Products, either directly or indirectly through its subsidiaries or affiliates, to customers throughout the United States. Defendant SEC dominated and controlled the finances, policies, and affairs of SEAI relating to the antitrust violations alleged in this Complaint.

35. Defendant Samsung SDI Co., Ltd. f/k/a Samsung Display Device Co., Ltd. ("Samsung SDI"), is a South Korean company with its principal place of business located at 15<sup>th</sup> – 18<sup>th</sup> Floor, Samsung Life Insurance Building, 150, 2-ga, Taepyong-ro, Jung-gu, Seoul, 100-716, South Korea. Samsung SDI is a public company. SEC is a major shareholder holding almost 20 percent of the stock. Founded in 1970, Samsung SDI claims to be the world's leading company in the display and energy businesses, with 28,000 employees and facilities in 18 countries. In 2002, Samsung SDI held a 34.3% worldwide market share in the market for CRTs;

1 more than another other producer. Samsung SDI has offices in Chicago and San Diego. During  
2 the Relevant Period, Samsung SDI manufactured, marketed, sold and/or distributed CRT  
3 Products, either directly or indirectly through its subsidiaries or affiliates, to customers  
4 throughout the United States. Defendant SEC dominated and controlled the finances, policies,  
5 and affairs of Samsung SDI relating to the antitrust violations alleged in this Complaint.

6 36. Defendant Samsung SDI America, Inc. ("Samsung SDI America") is a California  
7 corporation with its principal place of business located at 3333 Michelson Drive, Suite 700,  
8 Irvine, California. Samsung SDI America is a wholly-owned and controlled subsidiary of  
9 Samsung SDI. During the Relevant Period, Samsung SDI America manufactured, marketed,  
10 sold and/or distributed CRT Products, either directly or indirectly through its subsidiaries or  
11 affiliates, to customers throughout the United States. Defendants SEC and Samsung SDI  
12 dominated and controlled the finances, policies, and affairs of Samsung SDI America relating to  
13 the antitrust violations alleged in this Complaint.

14 37. Defendant Samsung SDI Mexico S.A. de C.V. ("Samsung SDI Mexico") is a  
15 Mexican company with its principal place of business located at Blvd. Los Olivos, No.21014,  
16 Parque Industrial El Florido, Tijuana, B.C. Mexico. Samsung SDI Mexico is a wholly-owned  
17 and controlled subsidiary of Defendant Samsung SDI. During the Relevant Period, Samsung  
18 SDI Mexico manufactured, marketed, sold and/or distributed CRT Products to customers, either  
19 directly or indirectly through its subsidiaries or affiliates, throughout the United States.  
20 Defendants SEC and Samsung SDI dominated and controlled the finances, policies, and affairs  
21 of Samsung SDI Mexico relating to the antitrust violations alleged in this Complaint.

22 38. Defendant Samsung SDI Brasil Ltda. ("Samsung SDI Brazil") is a Brazilian  
23 company with its principal place of business located at Av. Eixo Norte Sul, S/N, Distrito  
24 Industrial, 69088-480 Manaus, Amazonas, Brazil. Samsung SDI Brazil is a wholly-owned and  
25 controlled subsidiary of Defendant Samsung SDI. During the Relevant Period, Samsung SDI  
26 Brazil manufactured, marketed, sold and/or distributed CRT Products to customers, either  
27 directly or indirectly through its subsidiaries or affiliates, throughout the United States.  
28



1 Defendants SEC and Samsung SDI dominated and controlled the finances, policies, and affairs  
2 of Samsung SDI Brazil relating to the antitrust violations alleged in this Complaint.

3 39. Defendant Shenzhen Samsung SDI Co., Ltd. ("Samsung SDI Shenzhen") is a  
4 Chinese company with its principal place of business located at Huanggang Bei Lu, Futian Gu,  
5 Shenzhen, China. Samsung SDI Shenzhen is a wholly-owned and controlled subsidiary of  
6 Defendant Samsung SDI. During the Relevant Period, Samsung SDI Shenzhen manufactured,  
7 marketed, sold and/or distributed CRT Products, either directly or indirectly through its  
8 subsidiaries or affiliates, to customers throughout the United States. Defendant SEC and  
9 Samsung SDI dominated and controlled the finances, policies, and affairs of Samsung SDI  
10 Shenzhen relating to the antitrust violations alleged in this Complaint.

11 40. Defendant Tianjin Samsung SDI Co., Ltd. ("Samsung SDI Tianjin") is a Chinese  
12 company with its principal place of business located at Developing Zone of Yi-Xian Park,  
13 Wuqing County, Tianjin, China. Samsung SDI Tianjin is a wholly-owned and controlled  
14 subsidiary of Defendant Samsung SDI. During the Relevant Period, Samsung SDI Tianjin  
15 manufactured, marketed, sold and/or distributed CRT Products, either directly or indirectly  
16 through its subsidiaries or affiliates, to customers throughout the United States. Defendant SEC  
17 and Samsung SDI dominated and controlled the finances, policies, and affairs of Samsung SDI  
18 Tianjin relating to the antitrust violations alleged in this Complaint.

19 41. Defendant Samsung SDI (Malaysia) Sdn. Bhd. ("Samsung SDI Malaysia") is a  
20 Malaysian company with its principal place of business located at Lot 635 & 660, Kawasan  
21 Perindustrian, Tuanku, Jaafar, 71450 Sungai Gadut, Negeri Semblian Darul Khusus, Malaysia.  
22 Samsung SDI Malaysia is a wholly-owned and controlled subsidiary of Defendant Samsung SDI  
23 Co., Ltd. During the Relevant Period, Samsung SDI Malaysia manufactured, marketed, sold  
24 and/or distributed CRT Products, either directly or indirectly through its subsidiaries or affiliates,  
25 to customers throughout the United States. Defendant SEC and Samsung SDI dominated and  
26 controlled the finances, policies, and affairs of Samsung SDI Malaysia relating to the antitrust  
27 violations alleged in this Complaint.  
28

42. Defendants SEC, SEAI, Samsung SDI, Samsung SDI America, Samsung SDI Mexico, Samsung SDI Brazil, Samsung SDI Shenzhen, Samsung SDI Tianjin, and Samsung SDI Malaysia are referred to collectively herein as "Samsung."

#### **Toshiba Entities**

43. Defendant Toshiba Corporation is a Japanese corporation with its principal place of business at 1-1, Shibaura 1-chome, Minato-ku, Tokyo 105-8001, Japan. In 2001, Toshiba Corporation held a 5-10 % worldwide market share for CRTs used in televisions and computer monitors. In December 1995, Toshiba Corporation partnered with Orion Electric Company (n/k/a Daewoo Electronics Corporation) and two other entities to form P.T. Tosummit Electronic Devices Indonesia ("TEDI") in Indonesia. TEDI was projected to have an annual production capacity of 2.3 million CRTs by 1999. In 2002, Toshiba Corporation entered into a joint venture with Defendant Panasonic Corporation called MT Picture Display Co., Ltd. in which the entities consolidated their CRT businesses. During the Relevant Period, Toshiba Corporation manufactured, marketed, sold and/or distributed CRT Products, either directly or indirectly through its subsidiaries or affiliates, to customers throughout the United States.

44. Defendant Toshiba America, Inc. ("Toshiba America") is a Delaware corporation with its principal place of business located at 1251 Avenue of the Americas, Suite 4110, New York, NY 10020. Toshiba America is a wholly owned and controlled subsidiary of defendant Toshiba Corporation. During the Relevant Period, Toshiba America sold and/or distributed CRT Products, either directly or indirectly through its subsidiaries or affiliates, to customers throughout the United States. Defendant Toshiba Corporation dominated and controlled the finances, policies, and affairs of Toshiba America relating to the antitrust violations alleged in this Complaint.

45. Defendant Toshiba America Consumer Products, LLC ("TACP") is headquartered in 82 Totawa Rd., Wayne, New Jersey 07470-3114. TACP is a wholly owned and controlled subsidiary of Defendant Toshiba Corporation through Toshiba America. During the Relevant Period, TACP sold and/or distributed CRT Products, either directly or indirectly



1 through its subsidiaries or affiliates, to customers throughout the United States. Defendant  
2 Toshiba Corporation dominated and controlled the finances, policies, and affairs of TACP  
3 relating to the antitrust violations alleged in this Complaint.

4 46. Defendant Toshiba America Information Systems, Inc. ("TAIP") is a California  
5 corporation with its principal place of business located at 9740 Irvine Blvd., Irvine, California  
6 92718. TAIP is a wholly owned and controlled subsidiary of Toshiba Corporation through  
7 Toshiba America, Inc. During the Relevant Period, TAIP manufactured, marketed, sold and/or  
8 distributed CRT Products, either directly or indirectly through its subsidiaries or affiliates, to  
9 customers throughout the United States. Defendant Toshiba Corporation dominated and  
10 controlled the finances, policies, and affairs of TAIP relating to the antitrust violations alleged in  
11 this Complaint.

12 47. Defendant Toshiba America Electronics Components, Inc. ("TAEC") is a  
13 California corporation with its principal place of business located at 9775 Toledo Way, Irvine,  
14 California 92618, and 19000 MacArthur Boulevard, Suite 400, Irvine, California 92612. TAEC  
15 is a wholly owned and controlled subsidiary of Toshiba America, Inc., which is a holding  
16 company for defendant Toshiba Corporation. TAEC is currently the North American sales and  
17 marketing representative for defendant MTPD. Before MTPD's formation in 2003, TAEC was  
18 the North American engineering, manufacturing, marketing and sales arm of defendant Toshiba  
19 Corporation. During the Relevant Period, TAEC manufactured, marketed, sold and/or  
20 distributed CRT Products, either directly or indirectly through its subsidiaries or affiliates, to  
21 customers throughout the United States. Defendant Toshiba Corporation dominated and  
22 controlled the finances, policies, and affairs of TAEC relating to the antitrust violations alleged  
23 in this Complaint.

24 48. Toshiba Display Devices (Thailand) Company, Ltd. ("TDDT") was a Thai  
25 company with its principal place of business located at 142 Moo 5 Bangkadi Industrial Estate,  
26 Tivanon Road, Pathum Thani, Thailand 12000. TDDT was a wholly-owned and controlled  
27 subsidiary of defendant Toshiba Corporation. Toshiba Corporation transferred Toshiba Thailand  
28

1 to its CRT joint venture with Panasonic Corporation, MT Picture Display Co., Ltd., in 2003. It  
2 was re-named as MT Picture Display (Thailand) Co., Ltd. and operated as a wholly-owned  
3 subsidiary of MT Picture Display until its closure in 2007. During the Relevant Period, TDDT  
4 manufactured, marketed, sold and/or distributed CRT Products, either directly or indirectly  
5 through its subsidiaries or affiliates, to customers throughout the United States. Defendant  
6 Toshiba Corporation dominated and controlled the finances, policies, and affairs of TDDT  
7 relating to the antitrust violations alleged in this Complaint.

8 49. P.T. Tosummit Electronic Devices Indonesia ("TEDI") was a CRT joint venture  
9 formed by Toshiba Corporation, Orion Electric Company and two other non-defendant entities in  
10 December 1995. TEDI's principal place of business was located in Indonesia. TEDI was  
11 projected to have an annual production capacity of 2.3 million CRTs by 1999. In 2003, TEDI  
12 was transferred to MT Picture Display Co., Ltd. and its name was changed to PT.MT Picture  
13 Display Indonesia. During the Relevant Period, TEDI manufactured, marketed, sold and/or  
14 distributed CRT Products, either directly or indirectly through its subsidiaries or affiliates, to  
15 customers throughout the United States. Defendant Toshiba Corporation dominated and  
16 controlled the finances, policies, and affairs of TEDI relating to the antitrust violations alleged in  
17 this Complaint.

18 50. Defendants Toshiba Corporation, Toshiba America, Inc., TACP, and TAIP are  
19 referred to collectively herein as "Toshiba."

20 **Panasonic Entities**

21 51. Defendant Panasonic Corporation, which was at all times during the Relevant  
22 Period known as Matsushita Electric Industrial Co., Ltd. and only became Panasonic Corporation  
23 on October 1, 2008, is a Japanese entity with its principal place of business located at 1006 Oaza  
24 Kadoma, Kadoma-shi, Osaka 571-8501, Japan. In 2002, Panasonic Corporation entered into a  
25 CRT joint venture with defendant Toshiba forming defendant MT Picture Display Co., Ltd.  
26 ("MTPD"). Panasonic Corporation was the majority owner with 64.5 percent. On April 3, 2007,  
27 Panasonic Corporation purchased the remaining 35.5 percent stake in the joint venture, making  
28

1 MTPD a wholly-owned subsidiary of Panasonic Corporation. In 2005, the Panasonic brand had  
2 the highest CRT Product revenue in Japan. During the Relevant Period, Panasonic Corporation  
3 manufactured, marketed, sold and/or distributed CRT Products, either directly or indirectly  
4 through its subsidiaries or affiliates, to customers throughout the United States.

5 52. Defendant Panasonic Corporation of North America ("Panasonic NA") is a  
6 Delaware corporation with its principal place of business located at One Panasonic Way,  
7 Secaucus, New Jersey. Panasonic NA is a wholly owned and controlled subsidiary of Defendant  
8 Panasonic Corporation. During the Relevant Period, Panasonic NA manufactured, marketed,  
9 sold and/or distributed CRT Products, either directly or indirectly through its subsidiaries or  
10 affiliates, to customers throughout the United States. Defendant Panasonic Corporation  
11 dominated and controlled the finances, policies, and affairs of Panasonic NA relating to the  
12 antitrust violations alleged in this Complaint.

13 53. Matsushita Electronic Corporation (Malaysia) Sdn Bhd. ("Matsushita Malaysia")  
14 was a Malaysian company with its principal place of business located at Lot 1, Persiaran Tengku  
15 Ampuan Section 21, Shah Alam Industrial Site, Shah Alam, Malaysia 40000. Matsushita  
16 Malaysia was a wholly-owned and controlled subsidiary of Defendant Panasonic Corporation.  
17 Panasonic Corporation transferred Matsushita Malaysia to its CRT joint venture with Toshiba  
18 Corporation, MT Picture Display Co., Ltd., in 2003. It was re-named as MT Picture Display  
19 (Malaysia) Sdn. Bhd. and operated as a wholly-owned subsidiary of MT Picture Display until its  
20 closure in 2006. During the Relevant Period, Matsushita Malaysia manufactured, marketed, sold  
21 and/or distributed CRT Products, either directly or indirectly through its subsidiaries or affiliates,  
22 to customers throughout the United States. Defendant Panasonic Corporation dominated and  
23 controlled the finances, policies, and affairs of Matsushita Malaysia relating to the antitrust  
24 violations alleged in this Complaint.

25 54. Defendants Panasonic Corporation and Panasonic NA are collectively referred to  
26 herein as "Panasonic."

27 55. Defendant MT Picture Display Co., Ltd. ("MTPD") was established as a CRT  
28

1 joint venture between defendants Panasonic Corporation and Toshiba. MTPD is a Japanese  
 2 entity with its principal place of business located at 1-1, Saiwai-cho, Takatsuki-shi, Osaka 569-  
 3 1193, Japan. On April 3, 2007, defendant Panasonic Corporation purchased the remaining stake  
 4 in MTPD, making it a wholly-owned subsidiary, and renaming it MT Picture Display Co., Ltd.  
 5 During the Relevant Period, MTPD manufactured, sold and distributed CRT Products, either  
 6 directly or indirectly through its subsidiaries or affiliates, to customers throughout the United  
 7 States.

8 56. Defendant Beijing-Matsushita Color CRT Company, Ltd. ("BMCC") is a Chinese  
 9 company with its principal place of business located at No. 9, Jiuxianqiao N. Rd., Dashanzi  
 10 Chaoyang District, Beijing, China. BMCC is a joint venture company, 50% of which is held by  
 11 defendant MTPD. The other 50% is held by Beijing Orient Electronics (Group) Co., Ltd., China  
 12 National Electronics Import & Export Beijing Company (a China state-owned enterprise), and  
 13 Beijing Yayunchun Branch of the Industrial and Commercial Bank of China, Ltd. (a China state-  
 14 owned enterprise). Formed in 1987, BMCC was Matsushita's (n/k/a Panasonic) first CRT  
 15 manufacturing facility in China. BMCC is the second largest producer of CRTs in China.  
 16 During the Relevant Period, BMCC manufactured, marketed, sold and/or distributed CRT  
 17 Products, either directly or indirectly through its subsidiaries or affiliates, to customers  
 18 throughout the United States.

#### 19 **Hitachi Entities**

20 57. Defendant Hitachi, Ltd. is a Japanese company with its principal place of business  
 21 located at 6-1 Marunouchi Center Building 13F, Chiyoda-ku, Tokyo 100-8280, Japan. Hitachi  
 22 Ltd. is the parent company for the Hitachi brand of CRT Products. In 1996, Hitachi, Ltd.'s  
 23 worldwide market share for color CRTs was 20 percent. During the Relevant Period, Hitachi  
 24 Ltd. manufactured, marketed, sold and/or distributed CRT Products, either directly or indirectly  
 25 through its subsidiaries or affiliates, to customers throughout the United States.

26 58. Hitachi Displays, Ltd. ("Hitachi Displays") is a Japanese company with its  
 27 principal place of business located at AKS Building, 3 Kandaneibeicho 3, Chiyoda-ku, Tokyo,  
 28

1 101-0022, Japan. Hitachi Displays, Ltd. was originally established as Mobara Works of Hitachi,  
2 Ltd. in Mobara City, Japan, in 1943. In 2002, all the departments of planning, development,  
3 design, manufacturing and sales concerned with the display business of Hitachi, Ltd. were spun  
4 off to create a separate company called Hitachi Displays, Ltd. During the Relevant Period,  
5 Hitachi Displays, Ltd. manufactured, marketed, sold and/or distributed CRT Products, either  
6 directly or indirectly through its subsidiaries or affiliates, to customers throughout the United  
7 States. Defendant Hitachi, Ltd. dominated and controlled the finances, policies, and affairs of  
8 Hitachi Displays relating to the antitrust violations alleged in this Complaint.

9 59. Hitachi Electronic Devices (USA), Inc. ("HEDUS") is a Delaware corporation  
10 with its principal place of business located as 1000 Hurricane Shoals Road, Ste. D-100,  
11 Lawrenceville, GA 30043. HEDUS is a subsidiary of defendants Hitachi Displays, Ltd.  
12 and Hitachi, Ltd. During the Relevant Period, HEDUS manufactured, marketed, sold and/or  
13 distributed CRT Products to customers, either directly or indirectly through its subsidiaries or  
14 affiliates, to customers throughout the United States. Defendant Hitachi, Ltd. and Hitachi  
15 Displays, Ltd. dominated and controlled the finances, policies, and affairs of HEDUS relating to  
16 the antitrust violations alleged in this Complaint.

17 60. Defendant Hitachi America, Ltd. ("Hitachi America") is a New York company  
18 with its principal place of business located at 2000 Sierra Point Parkway, Brisbane, California  
19 94005. Hitachi America is a wholly-owned and controlled subsidiary of defendant Hitachi, Ltd.  
20 During the Relevant Period, Hitachi America sold and/or distributed CRT Products, either  
21 directly or indirectly through its subsidiaries or affiliates, to customers throughout the United  
22 States. Defendant Hitachi, Ltd. dominated and controlled the finances, policies, and affairs of  
23 Hitachi America relating to the antitrust violations alleged in this Complaint.

24 61. Defendant Hitachi Asia, Ltd. ("Hitachi Asia") is a Singapore company with its  
25 principal place of business located at 16 Collyer Quay, #20-00 Hitachi Tower, Singapore,  
26 049318. Hitachi Asia is a wholly owned and controlled subsidiary of defendant Hitachi, Ltd.  
27 During the Relevant Period, Hitachi Asia manufactured, marketed, sold and/or distributed CRT  
28

1 Products, either directly or indirectly through its subsidiaries or affiliates, to customers  
2 throughout the United States. Defendant Hitachi, Ltd. dominated and controlled the finances,  
3 policies, and affairs of Hitachi Asia relating to the antitrust violations alleged in this Complaint.

4 62. Shenzhen SEG Hitachi Color Display Devices, Ltd. ("Hitachi Shenzhen") was a  
5 Chinese company with its principal place of business located at 5001 Huanggang Road, Futian  
6 District, Shenzhen 518035, China. Hitachi Displays, Ltd. owned at least a 25% interest in  
7 Hitachi Shenzhen until November 8, 2007 (which was coincidentally around the time that the  
8 government investigations into the CRT industry began). Thus, Hitachi Shenzhen was a member  
9 of the Hitachi corporate group for all but the last two weeks of the Relevant Period. During the  
10 Relevant Period, Hitachi Shenzhen manufactured, sold and distributed CRT Products, either  
11 directly or indirectly through its subsidiaries or affiliates, to customers throughout the United  
12 States. Defendants Hitachi, Ltd. and Hitachi Displays dominated and controlled the finances,  
13 policies, and affairs of Hitachi Shenzhen relating to the antitrust violations alleged in this  
14 Complaint.

15 63. Defendants Hitachi Ltd., Hitachi Displays, Hitachi America, HEDUS, Hitachi  
16 Asia, and Hitachi Shenzhen are collectively referred to herein as "Hitachi."

#### 17 **Tatung**

18 64. Defendant Tatung Company of America, Inc. ("Tatung America") is a California  
19 corporation with its principal place of business located at 2850 El Presidio Street, Long Beach,  
20 California. Tatung America is a subsidiary of Tatung Company. Currently, Tatung Company  
21 owns approximately half of Tatung America. The other half used to be owned by Lun Kuan Lin,  
22 the daughter of Tatung Company's former Chairman, T.S. Lin. Following Lun Kuan Lin's  
23 recent death, her share recently passed to her two children. During the Relevant Period, Tatung  
24 America manufactured, marketed, sold and/or distributed CRT Products, either directly or  
25 indirectly through its subsidiaries or affiliates, to customers throughout the United States.

#### 26 **Chunghwa Entities**

27 65. Defendant Chunghwa Picture Tubes Ltd. ("CPT") is a Taiwanese company with  
28



1 its principal place of business located at 1127 Heping Road, Bade City, Taoyuan, Taiwan. CPT  
2 was founded in 1971 by Tatung Company. Throughout the majority of the Relevant Period,  
3 Tatung Company owned a substantial share in CPT. Although Tatung Company's holdings in  
4 CPT have fallen over time, it retains substantial control over CPT's operations. Tatung  
5 Company lists Chunghwa on its website as one of its "global subsidiaries." And the Chairman of  
6 CPT, Weishan Lin, is also the Chairman and General Manager of Tatung Company. CPT is a  
7 leading manufacturer of CRTs. During the Relevant Period, CPT manufactured, marketed, sold  
8 and/or distributed CRT Products, both directly and through its wholly-owned and controlled  
9 subsidiaries in Malaysia, China, and Scotland, to customers throughout the United States.

10 66. Defendant Chunghwa Picture Tubes (Malaysia) Sdn. Bhd. ("Chunghwa  
11 Malaysia") is a Malaysian company with its principal place of business located at Lot 1, Subang  
12 Hi-Tech Industrial Park, Batu Tiga, 4000 Shah Alam, Selangor Darul Ehsan, Malaysia.  
13 Chunghwa Malaysia a wholly-owned and controlled subsidiary of defendant Chunghwa Picture  
14 Tubes. Chunghwa Malaysia is a leading worldwide supplier of CRTs. During the Relevant  
15 Period, Chunghwa Malaysia manufactured, marketed, sold and/or distributed CRT Products,  
16 either directly or indirectly through its subsidiaries or affiliates, to customers throughout the  
17 United States. Defendant CPT dominated and controlled the finances, policies, and affairs of  
18 Chunghwa Malaysia relating to the antitrust violations alleged in this Complaint.

19 67. Defendants CPT and Chunghwa Malaysia are collectively referred to herein as  
20 "Chunghwa."

21 **IRICO Entities**

22 68. Defendant IRICO Group Corporation ("IGC") is a Chinese corporation with its  
23 principal place of business located at 1 Caihong Rd., Xianyang City, Shaanxi Province 712021.  
24 IGC is the parent company for multiple subsidiaries engaged in the manufacture, marketing, sale  
25 and/or distribution of CRT Products. During the Relevant Period, IGC manufactured, marketed,  
26 sold and/or distributed CRT Products, either directly or indirectly through its subsidiaries or  
27 affiliates, to customers throughout the United States.

69. Defendant IRICO Display Devices Co., Ltd. ("IDDC") is a Chinese company with its principal place of business located at No. 16, Fenghui South Road West, District High-tech Development Zone, Xi'an, SXI 710075. IDDC is a partially-owned subsidiary of defendant IGC. In 2006, IDDC was China's top CRT maker. During the Relevant Period, IDDC manufactured, marketed, sold and/or distributed CRT Products, either directly or indirectly through its subsidiaries or affiliates, to customers throughout the United States. Defendant IGC dominated and controlled the finances, policies and affairs of IDDC relating to the antitrust violations alleged in this Complaint.

70. Defendant IRICO Group Electronics Co., Ltd. ("IGE") is a Chinese company with its principal place of business located at 1 Caihong Rd., Xianyang City, Shaanxi Province 712021. IGE is owned by Defendant IGC. According to its website, IGE was the first CRT manufacturer in China and one of the leading global manufacturers of CRTs. Their website also claims that in 2003, they were the largest CRT manufacturer in China in terms of production and sales volume, sales revenue and aggregated profit and taxation. During the Relevant Period, IGE manufactured, marketed, sold and/or distributed CRT Products, either directly or indirectly through its subsidiaries or affiliates, to customers throughout the United States. Defendant IGC dominated and controlled the finances, policies and affairs of IGE relating to the antitrust violations alleged in this Complaint.

71. Defendants IGC, IDDC, and IGE are collectively referred to herein as "IRICO."

**Thai CRT**

72. Defendant Thai CRT Company, Ltd. ("Thai CRT") is a Thai company with its principal place of business located at 1/F Siam Cement Road, Bangsue Dusit, Bangkok, Thailand. Thai CRT is a subsidiary of Siam Cement Group. It was established in 1986 as Thailand's first manufacturer of CRTs for color televisions. During the Relevant Period, Thai CRT manufactured, marketed, sold and/or distributed CRT Products, either directly or indirectly through its subsidiaries or affiliates, to customers throughout the United States.

**Samtel**



73. Defendant Samtel Color, Ltd. ("Samtel") is an Indian company with its principal place of business located at 52, Community Centre, New Friends Colony, New Delhi-110065. Samtel's market share for CRTs sold in India is approximately 40%. Samtel is India's largest exporter of CRTs. Samtel has gained safety approvals from the United States, Canada, Germany and Great Britain for its CRT Products. During the Relevant Period, Samtel manufactured, marketed, sold and/or distributed CRT Products, either directly or indirectly through its subsidiaries or affiliates, to customers throughout the United States.

74. All of the above-listed defendants are collectively referred to herein as "Defendants."

## VI. AGENTS AND CO-CONSPIRATORS

75. Various other persons, firms and corporations, not named as Defendants herein, and presently unknown to Plaintiffs, have participated as co-conspirators with Defendants and have performed acts and made statements in furtherance of the conspiracy and/or in furtherance of the anticompetitive, unfair or deceptive conduct. Plaintiffs reserves the right to name some or all of these Persons as Defendants at a later date.

76. Whenever in this Complaint reference is made to any act, deed or transaction of any corporation, the allegation means that the corporation engaged in the act, deed or transaction by or through its officers, directors, agents, employees or representatives while they were actively engaged in the management, direction, control or transaction of the corporation's business or affairs.

77. Defendants are also liable to acts done in furtherance of the alleged conspiracy by companies they acquired through mergers or acquisitions.

78. Each of the Defendants named herein acted as the agent or joint venturer of or for the other Defendants with respect to the acts, violations and common course of conduct alleged herein. Each Defendant which is a subsidiary of a foreign parent acts as the sole United States agent for CRT Products made by its parent company.

1                                   **VII. INTERSTATE TRADE AND COMMERCE**

2           79.     Throughout the Relevant Period, each Defendant, or one or more of its  
3 subsidiaries, sold CRT Products in the United States in a continuous and uninterrupted flow of  
4 interstate and international commerce, including through and into this judicial district.

5           80.     During the Relevant Period, Defendants collectively controlled the vast majority  
6 of the market for CRT Products, both globally and in the United States.

7           81.     Defendants' unlawful activities, as described herein, took place within the flow of  
8 interstate commerce to purchasers of CRT Products located in states other than and in addition to  
9 the states in which Defendants are located, as well as throughout the world, and had a direct,  
10 substantial and reasonably foreseeable effect upon interstate and international commerce,  
11 including the United States markets for CRT Products.

12                                   **VIII. FACTUAL ALLEGATIONS**

13           **A. CRT Technology**

14           82.     CRT technology was first developed more than a century ago. The first  
15 commercially practical CRT television was made in 1931. It was not until the RCA Corporation  
16 introduced the product at the 1939 World's Fair, however, that it became widely available to  
17 consumers. Since then, CRTs have become the heart of most display products, including  
18 televisions, computer monitors, oscilloscopes, air traffic control monitors, and ATMs. Even  
19 large public displays, including many scoreboards at sports arenas, are comprised of thousands  
20 of single-color CRTs.

21           83.     As noted above, the CRT is a vacuum tube that is coated on its inside face with  
22 light sensitive phosphors. An electron gun at the back of the vacuum tube emits electron beams.  
23 When the electron beams strike the phosphors, the phosphors produce either red, green, or blue  
24 light. A system of magnetic fields inside the CRT, as well as varying voltages, directs the beams  
25 to produce the desired colors. This process is rapidly repeated several times per second to  
26 produce the desired images.

27           84.     The quality of a CRT display is dictated by the quality of the CRT itself. No  
28

1 external control or feature can make up for a poor-quality tube. In this regard, the CRT defines  
2 the whole product such that the product is often simply referred to as "the CRT."

3 85. Until the last few years, CRTs were the dominant technology used in displays,  
4 including television and computer monitors. During the Relevant Period, this translated into the  
5 sale of millions of CRT Products, generating billions of dollars in annual profits.

6 **B. Structural Characteristics of the CRT Market**

7 86. The structural characteristics of the CRT Product market are conducive to the type  
8 of collusive activity alleged in this Complaint. These characteristics include market  
9 concentration, ease of information sharing, the consolidation of manufacturers, multiple  
10 interrelated business relationships, significant barriers to entry, maturity of the CRT Product  
11 market, and homogeneity of products.

12 **a. Market Concentration**

13 87. During the Relevant Period, the CRT industry was dominated by relatively few  
14 companies. In 2004, defendants Samsung SDI, LG.Philips Displays (n/k/a LP Displays), MT  
15 Picture Display and Chunghwa together held a collective 78% share of the global CRT market.  
16 The high concentration of market share facilitates coordination because there are fewer cartel  
17 members among which to coordinate pricing or allocate markets, and it is easier to monitor the  
18 pricing and production of other cartel members.

19 **b. Information Sharing**

20 88. Because of common membership in trade associations for the CRT Product  
21 market and related markets (for e.g., TFT-LCD), interrelated business arrangements such as joint  
22 ventures, allegiances between companies in certain countries, and relationships between the  
23 executives of certain companies, there were many opportunities for Defendants to discuss and  
24 exchange competitive information. The ease of communication was facilitated by the use of  
25 meetings, telephone calls, e-mails, and instant messages. Defendants took advantage of these  
26 opportunities to discuss and agree upon their pricing for CRT Products.

27 89. Defendants Chunghwa, Hitachi and Samsung are all members of the Society for  
28

1 Information Display. Defendants Samsung and LG Electronics, Inc. are two of the co-founders  
2 of the Korea Display Industry Association. Similarly, Daewoo, LG Electronics, LP Displays,  
3 and Samsung are members of the Electronic Display Industrial Research Association. Upon  
4 information and belief, Defendants used these trade associations as vehicles for discussing and  
5 agreeing upon their pricing for CRT Products. At the meetings of these trade associations,  
6 Defendants exchanged proprietary and competitively sensitive information which they used to  
7 implement and monitor the conspiracy.

8 **c. Consolidation**

9 90. The CRT Product industry also had significant consolidation during the Relevant  
10 Period, including but not limited to: (a) the creation of LG.Philips Displays (n/k/a LP Displays)  
11 in 2001 as a joint venture between Royal Philips and LG Electronics, Inc.; and (b) the 2002  
12 merger of Toshiba and Matsushita/Panasonic's CRT business into MTPD.

13 91. Defendants also consolidated their manufacturing facilities in lower cost venues  
14 such as China and reduced manufacturing capacity to prop up prices.

15 **d. Multiple Interrelated Business Relationships**

16 92. The CRT Product industry has a close-knit nature whereby multiple business  
17 relationships between supposed competitors blur the lines of competition and provided ample  
18 opportunity to collude. These business relationships also created a unity of interest among  
19 competitors so that the conspiracy was easier to implement and enforce than if such  
20 interrelationships did not exist.

21 93. Examples of the high degree of cooperation among Defendants in both the CRT  
22 Product market and other closely related markets include the following:

- 23 a. The formation of the CRT joint venture LG.Philips Displays in 2001 by  
24 Defendants LG Electronics, Inc. and Royal Philips.
- 25 b. Defendants LG Electronics, Inc. and Royal Philips also formed LG.Philips  
26 LCD Co., Ltd., n/k/a LG Display Co., Ltd. in 1999 as a joint venture for  
27 the purpose of manufacturing TFT-LCD panels.  
28

- c. The formation of the CRT joint venture MTPD in 2003 by Defendants Toshiba and Panasonic.
- d. Defendants Toshiba and Panasonic also formed Toshiba-Matsushita Display Technology Co., Ltd. as a joint venture for the purpose of manufacturing TFT-LCD panels.
- e. In December 1995, Daewoo and Toshiba partnered with two other entities to form TEDI which manufactured CRTs in Indonesia.
- f. Daewoo and Toshiba also signed a cooperative agreement relating to LCDs in 1995. Pursuant to the agreement, Daewoo produced STN LCDs, and Toshiba, which had substituted its STN LCD production with TFT LCD production, marketed Daewoo's STN LCDs globally through its network.
- g. Also in 1995, Defendant Chunghwa entered into a technology transfer agreement with Defendant Toshiba for large CPTs.
- h. Defendant Chunghwa has a joint venture with Defendant Samsung Electronics Co., Ltd. for the production of liquid crystal display panels. Chunghwa now licenses the technology from Defendant Royal Philips, a recent development that helped resolve a patent infringement suit filed in 2002.
- i. Defendants LG Electronics, Inc. and Hitachi Ltd. entered into a joint venture in 2000 for the manufacture, sale and distribution of optical storage products such as DVD drives.
- j. Defendant Samtel participates in a joint venture, Samcor Glass Limited, with Defendant Samsung Electronics Co., Ltd. and non-Defendant Corning Inc., USA for the production and supply of picture tube glass.
- k. Defendant Samtel claims to have supplied CRTs to Defendants LG Electronics, Inc., Samsung, Royal Philips, and Panasonic.

**e. High Costs of Entry Into the Industry**

94. There are substantial barriers to entry in the CRT Products industry. It would require substantial time, resources and industry knowledge to even potentially overcome the barriers to entry. It is also extremely unlikely that a new producer would enter the market in light of the declining demand for CRT Products.

**f. The Maturity of the CRT Product Market**

95. Newer industries are typically characterized by rapid growth, innovation and high profits. The CRT Product market is a mature one, and like many mature industries, is characterized by slim profit margins, creating a motivation to collude.

96. Demand for CRT Products was declining throughout the Relevant Period. Static or declining demand is another factor which makes the formation of a collusive arrangement more likely because it provides a greater incentive to firms to avoid price competition.

97. In addition, conventional CRT televisions and computer monitors were being rapidly replaced by TFT-LCD and Plasma displays. This was one of the factors which led Defendants to engage in this alleged price fixing scheme in order to slow down declining CRT Product prices. Between 2000 and 2006, revenues from the sale of CRT televisions in the United States declined by 50.7 percent and are predicted to decline by an additional 84.5 percent between 2006 and 2010.

98. Although demand was declining as a result of the popularity of flat-panel LCD/plasma televisions and LCD monitors, CRT televisions and monitors were still the dominant display technology during the Relevant Period, making Defendants' collusion and the international price fixing conspiracy worthwhile. Due to the high costs of LCD panels and plasma displays during the Relevant Period, a substantial market for CRT Products existed as a cheaper alternative to these new technologies.

99. In 1999, CRT monitors accounted for 94.5 percent of the retail market for computer monitors in North America. By 2002, that figure had dropped to 73 percent; still a substantial share of the market.



1           100. As for CRT televisions, they accounted for 73 percent of the North American  
2 television market in 2004, and, by the end of 2006, still held a 46 percent market share. CRT  
3 televisions continue to dominate the global television market, accounting for 75 percent of  
4 worldwide TV units in 2006.

5           **g. Homogeneity of CRT Products**

6           101. CRT Products are commodity-like products which are manufactured in  
7 standardized sizes. One Defendant's CRT Products for a particular application, such as a  
8 particular size television set or computer monitor, is substitutable for another's. Defendants sell  
9 and Plaintiffs purchase CRT Products primarily on the basis of price.

10           102. It is easier to form and sustain a cartel when the product in question is  
11 commodity-like because it is easier to agree on prices to charge and to monitor those prices once  
12 an agreement is formed.

13           **C. Pre-Conspiracy Market**

14           103. The genesis of the CRT conspiracy was in the late 1980s as the CRT Products  
15 business became more international and the Defendants began serving customers that were also  
16 being served by other international companies. During this period, the employees of Defendants  
17 would encounter employees from their competitors when visiting their customers. A culture of  
18 cooperation developed over the years and these Defendant employees would exchange market  
19 information on production, capacity, and customers.

20           104. In the early 1990s, representatives from Samsung, Daewoo, Chunghwa and Orion  
21 visited each other's factories in S.E. Asia. During this period, these producers began to include  
22 discussions about price in their meetings. The pricing discussions were usually limited,  
23 however, to exchanges of the range of prices that each competitor had quoted to specific  
24 customers.

25           **D. Defendants' and Co-Conspirators' Illegal Agreements**

26           105. Plaintiffs are informed and believe, and thereon allege, that in order to control and  
27 maintain profitability during declining demand for CRT Products, Defendants and their co-  
28

1 conspirators have engaged in a contract, combination, trust or conspiracy, the effect of which has  
2 been to raise, fix, maintain and/or stabilize the prices at which they sold CRT Products to  
3 artificially inflated levels from at least March 1, 1995 through at least November 25, 2007.

4 106. The CRT conspiracy was effectuated through a combination of group and  
5 bilateral meetings. In the formative years of the conspiracy (1995-1996), bilateral discussions  
6 were the primary method of communication and took place on an informal, ad hoc basis. During  
7 this period, representatives from LG, Samsung and Daewoo visited the other Defendant  
8 manufacturers including Philips, Chunghwa, Thai CRT, Hitachi, Toshiba, and Panasonic to  
9 discuss increasing prices for CRT Products in general and to specific customers. These meetings  
10 took place in Taiwan, South Korea, Thailand, Japan, Malaysia, Indonesia, and Singapore.

11 107. Samsung, Chunghwa, LG and Daewoo also attended several ad hoc group  
12 meetings during this period. The participants at these group meetings also discussed increasing  
13 prices for CRT Products.

14 108. As more manufacturers formally entered the conspiracy, group meetings became  
15 more prevalent. Beginning in 1997, the Defendants began to meet in a more organized,  
16 systematic fashion, and a formal system of multilateral and bilateral meetings was put in place.  
17 Defendants' representatives attended hundreds of these meetings during the Relevant Period.

18 109. The overall CRT conspiracy raised and stabilized worldwide prices (including  
19 United States prices) that Defendants charged for CRT Products.

20 **a. "Glass Meetings"**

21 110. The group meetings among the participants in the CRT price-fixing conspiracy  
22 were referred to by the participants as "Glass Meetings" or "GSM." Glass Meetings were  
23 attended by employees at three general levels of the Defendants' corporations.

24 111. The first level of these meetings were attended by high level company executives  
25 including CEOs, Presidents, and Vice Presidents, and were known as "Top Meetings." Top  
26 Meetings occurred less frequently, typically quarterly, and were focused on longer term  
27 agreements and forcing compliance with price fixing agreements. Because attendees at Top  
28



1 Meetings had authority as well as more reliable information, these meetings resulted in  
2 agreements. Attendees at Top Meetings were also able to resolve disputes because they were  
3 decision makers who could make agreements.

4 112. The second level of meetings were attended by the Defendants' high level sales  
5 managers and were known as "Management Meetings." These meetings occurred more  
6 frequently, typically monthly, and handled implementation of the agreements made at Top  
7 Meetings.

8 113. Finally, the third level of meetings were known as "Working Level Meetings" and  
9 were attended by lower level sales and marketing employees. These meetings generally occurred  
10 on a weekly or monthly basis and were mostly limited to the exchange of information and  
11 discussing pricing since the lower level employees did not have the authority to enter into  
12 agreements. These lower level employees would then transmit the competitive information up  
13 the corporate reporting chain to those individuals with pricing authority. The Working Level  
14 Meetings also tended to be more regional and often took place near Defendants' factories. In  
15 other words, the Taiwanese manufacturers' employees met in Taiwan, the Korean  
16 manufacturers' employees met in Korea, the Chinese in China, and so on.

17 a. The Chinese Glass Meetings began in 1998 and generally occurred on a  
18 monthly basis following a top or management level meeting. The China  
19 meetings had the principal purpose of reporting what had been decided at  
20 the most recent Glass Meeting to the Chinese manufacturers. Participants  
21 at the Chinese meetings included the manufacturers located in China, such  
22 as IRICO and BMCC, as well as the China-based branches of the other  
23 Defendants, including but not limited to Hitachi Shenzhen, Samsung SDI  
24 Shenzhen, Samsung SDI Tianjin, and Chunghwa.

25 b. Glass Meetings also occurred occasionally in various European countries.  
26 Attendees at these meetings included those Defendants which had  
27 subsidiaries and/or manufacturing facilities located in Europe, including  
28

Philips, LG, LP Displays, Chunghwa, Samsung, and IRICO.

114. Representatives of the Defendants also attended what were known amongst members of the conspiracy as "Green Meetings." These were meetings held on golf courses. The Green Meetings were generally attended by top and management level employees of the Defendants.

115. During the Relevant Period, Glass Meetings took place in Taiwan, South Korea, Europe, China, Singapore, Japan, Indonesia, Thailand, and Malaysia.

116. Participants would often exchange competitively sensitive information prior to a Glass Meeting. This included information on inventories, production, sales and exports. For some such meetings, where information could not be gathered in advance of the meeting, it was brought to the meeting and shared.

117. The Glass Meetings at all levels followed a fairly typical agenda. First, the participants exchanged competitive information such as proposed future CRT pricing, sales volume, inventory levels, production capacity, exports, customer orders, price trends, and forecasts of sales volumes for coming months. The participants also updated the information they had provided in the previous meeting. Each meeting had a rotating, designated "Chairman" who would write the information on a white board. The meeting participants then used this information to discuss and agree upon what price each would charge for CRTs to be sold in the following month or quarter. They discussed and agreed upon target prices, price increases, so-called "bottom" prices, and price ranges for CRTs. They also discussed and agreed upon prices of CRTs that were sold to specific customers, and agreed upon target prices to be used in negotiations with large customers. Having analyzed the supply and demand, the participants would also discuss and agree upon production cutbacks.

118. During periods of oversupply, the focus of the meeting participants turned to making controlled and coordinated price reductions. This was referred to as setting a "bottom price."

119. Defendants' conspiracy included agreements on the prices at which certain

1 Defendants would sell CRTs to their own corporate subsidiaries and affiliates that manufactured  
 2 end products, such as televisions and computer monitors. Defendants realized the importance of  
 3 keeping the internal pricing to their affiliated OEMs at a high enough level to support the CRT  
 4 pricing in the market to other OEMs. In this way, Defendants ensured that all direct purchaser  
 5 OEMs paid supracompetitive prices for CRTs.

6 120. Each of the participants in these meetings knew, and in fact discussed, the  
 7 significant impact that the price of CRTs had on the cost of the finished products into which they  
 8 were placed. Like CRTs themselves, the market for CRT Products was a mature one, and there  
 9 were slim profit margins. The Defendants therefore concluded that in order to make their CRT  
 10 price increases stick, they needed to make the increase high enough that their direct customers  
 11 (CRT TV and monitor makers) would be able to justify a corresponding price increase to their  
 12 customers. In this way, Defendants ensured that price increases for CRTs were passed on to  
 13 indirect purchasers of CRT Products.

14 121. The agreements reached at the Glass Meetings included:

- 15 a. agreements on CRT Product prices, including establishing target prices,
- 16 "bottom" prices, price ranges, and price guidelines;
- 17 b. placing agreed-upon price differentials on various attributes of CRT
- 18 Products, such as quality or certain technical specifications;
- 19 c. agreements on pricing for intra-company CRT Product sales to vertically
- 20 integrated customers;
- 21 d. agreements as to what to tell customers about the reason for a price
- 22 increase;
- 23 e. agreements to coordinate with competitors that did not attend the group
- 24 meetings and agreements with them to abide by the agreed-upon pricing;
- 25 f. agreements to coordinate pricing with CRT manufacturers in other
- 26 geographic markets such as Brazil, Europe and India;
- 27 g. agreements to exchange pertinent information regarding shipments,
- 28

1 capacity, production, prices and customers demands;

2 h. agreements to coordinate uniform public statements regarding available  
3 capacity and supply;

4 i. agreements to allocate both overall market shares and share of a particular  
5 customer's purchases;

6 j. agreements to allocate customers;

7 k. agreements regarding capacity, including agreements to restrict output and  
8 to audit compliance with such agreements; and

9 l. agreements to keep their meetings secret.

10 122. Efforts were made to monitor each Defendant's adherence to these agreements in  
11 a number of ways, including seeking confirmation of pricing both from customers and from  
12 employees of the Defendants themselves. When cheating did occur, it was addressed in at least  
13 four ways: 1) monitoring; 2) attendees at the meetings challenging other attendees if they did not  
14 live up to an agreement; 3) threats to undermine a competitor at one of its principal customers;  
15 and 4) a recognition in a mutual interest in living up to the target price and living up to the  
16 agreements that had been made.

17 123. As market conditions worsened in 2005-2007, and the rate of replacement of CRT  
18 Products by TFT-LCDs increased, the group Glass Meetings became less frequent and bilateral  
19 meetings again became more prevalent. In addition, in December 2006 the DOJ issued  
20 subpoenas to manufacturers of TFT-LCDs and so the CRT co-conspirators began to have  
21 concerns about antitrust issues.

22 **b. Bilateral Discussions**

23 124. Throughout the Relevant Period, the Glass Meetings were supplemented by  
24 bilateral discussions between various Defendants. The bilateral discussions were more informal  
25 than the group meetings and occurred on a frequent, ad hoc basis, often between the group  
26 meetings. These discussions, usually between sales and marketing employees, took the form of  
27 in-person meetings, telephone contacts and emails.  
28

1           125. During the Relevant Period, in-person bilateral meetings took place in Malaysia,  
2 Indonesia, Taiwan, China, United Kingdom, Singapore, South Korea, Japan, Thailand, Brazil  
3 and Mexico.

4           126. The purpose of the bilateral discussions was to exchange information about past  
5 and future pricing, confirm production levels, share sales order information, confirm pricing  
6 rumors, and coordinate pricing with manufacturers in other geographic locations, including  
7 Brazil, Mexico and Europe.

8           127. In order to ensure the efficacy of their global conspiracy, the Defendants also used  
9 bilateral meetings to coordinate pricing with CRT Product manufacturers in Brazil and Mexico,  
10 such as Philips Brazil, Samsung SDI Brazil, and Samsung SDI Mexico. These Brazilian and  
11 Mexican manufacturers were particularly important because they served the North American  
12 market for CRT Products. As further alleged herein, North America was the largest market for  
13 CRT televisions and computer monitors during the Relevant Period. Because these Brazilian and  
14 Mexican manufacturers are all wholly-owned and controlled subsidiaries of Defendants Philips  
15 and Samsung SDI, they adhered to the unlawful price-fixing agreements. In this way, the  
16 Defendants ensured that prices of all CRT Products imported into the United States were fixed,  
17 raised, maintained and/or stabilized at supracompetitive levels.

18           128. Defendants also used bilateral discussions with each other during price  
19 negotiations with customers to avoid being persuaded by customers to cut prices. The  
20 information gained in these communications was then shared with supervisors and taken into  
21 account in determining the price to be offered.

22           129. Bilateral discussions were also used to coordinate prices with CRT Product  
23 manufacturers that did not ordinarily attend the group meetings, such as Defendants Hitachi,  
24 Toshiba, Panasonic, Thai CRT, and Samtel. It was often the case that in the few days following  
25 a Top or Management Meeting, the attendees at these group meetings would meet bilaterally  
26 with the other Defendant manufacturers for the purpose of communicating whatever CRT  
27 Product pricing and/or output agreements had been reached during the meeting.

1 For example, Samsung had a relationship with Hitachi and was responsible for  
 2 communicating CRT Product pricing agreements to Hitachi. LG had a relationship with Toshiba  
 3 and was responsible for communicating CRT Product pricing agreements to Toshiba. And Thai  
 4 CRT had a relationship with Samtel and was responsible for communicating CRT Product  
 5 pricing agreements to Samtel. Hitachi, Toshiba and Samtel implemented the agreed-upon pricing  
 6 as conveyed by Samsung, LG, and Thai CRT. Sometimes Hitachi and Toshiba also attended the  
 7 Glass Meetings. In this way, Hitachi, Toshiba and Samtel participated in the conspiracy to fix  
 8 prices of CRT Products.

9 **c. Defendants' and Co-Conspirators' Participation in Group and Bilateral**  
 10 **Discussions**

11 130. Between at least 1995 and 2007, Defendant Samsung, through SEC, Samsung  
 12 SDI, Samsung SDI Malaysia, Samsung SDI Shenzhen, and Samsung SDI Tianjin, participated in  
 13 at least 200 Glass Meetings at all levels. A substantial number of these meetings were attended  
 14 by the highest ranking executives from Samsung. Samsung also engaged in bilateral discussions  
 15 with each of the other Defendants on a regular basis. Through these discussions, Samsung  
 16 agreed on prices and supply levels for CRT Products.

17 131. Defendants SEAI, Samsung SDI America, Samsung SDI Brazil, and Samsung  
 18 SDI Mexico were represented at those meetings and were a party to the agreements entered at  
 19 them. To the extent SEC and SEAI sold and/or distributed CRT Products, they played a  
 20 significant role in the conspiracy because Defendants wished to ensure that the prices for CRT  
 21 Products paid by direct purchasers would not undercut the CRT pricing agreements reached at  
 22 the Glass Meetings. Thus, SEAI, Samsung SDI America, Samsung SDI Brazil, and Samsung  
 23 SDI Mexico were active, knowing participants in the alleged conspiracy.

24 132. Between at least 1995 and 2001, Defendant LG, through LG Electronics, Inc. and  
 25 LGETT, participated at least 100 Glass Meetings at all levels. After 2001, LG participated in the  
 26 CRT Product conspiracy through its joint venture with Philips, LG.Philips Displays (n/k/a LP  
 27 Displays). A substantial number of these meetings were attended by the highest ranking  
 28



1 executives from LG. LG also engaged in bilateral discussions with each of the other Defendants  
2 on a regular basis. Through these discussions, LG agreed on prices and supply levels for CRT  
3 Products. LG never effectively withdrew from this conspiracy.

4 133. Defendant LGEUSA was represented at those meetings and was a party to the  
5 agreements entered at them. To the extent LGEUSA sold and/or distributed CRT Products, they  
6 played a significant role in the conspiracy because Defendants wished to ensure that the prices  
7 for CRT Products paid by direct purchasers would not undercut the pricing agreements reached  
8 at the Glass Meetings. Thus, LGEUSA was an active, knowing participant in the alleged  
9 conspiracy.

10 134. Between at least 1996 and 2001, Defendant Philips, through Royal Philips and  
11 Philips Taiwan, participated at least 100 Glass Meetings at all levels. After 2001, Philips  
12 participated in the CRT Product conspiracy through its joint venture with LG, LG.Philips  
13 Displays (n/k/a LP Displays). A substantial number of these meetings were attended by high  
14 level executives from Philips. Philips also engaged in numerous bilateral discussions with other  
15 Defendants. Through these discussions, Philips agreed on prices and supply levels for CRT  
16 Products. Philips never effectively withdrew from this conspiracy.

17 135. Defendants PENAC and Philips Brazil were represented at those meetings and  
18 were a party to the agreements entered at them. To the extent PENAC and Philips Brazil sold  
19 and/or distributed CRT Products to direct purchasers, they played a significant role in the  
20 conspiracy because Defendants wished to ensure that the prices for CRT Products paid by direct  
21 purchasers would not undercut the pricing agreements reached at the Glass Meetings. Thus,  
22 PENAC and Philips Brazil were active, knowing participants in the alleged conspiracy.

23 136. Between at least 2001 and 2006, Defendant LP Displays (f/k/a LG.Philips  
24 Displays) participated at least 100 Glass Meetings at all levels. A substantial number of these  
25 meetings were attended by the highest ranking executives from LP Displays. Certain of these  
26 high level executives from LP Displays had previously attended meetings on behalf of  
27 defendants LG and Philips. LP Displays also engaged in bilateral discussions with other  
28

1 Defendants. Through these discussions, LP Displays agreed on prices and supply levels for CRT  
2 Products.

3 137. Between at least 1995 and 2006, Defendant Chunghwa, through CPT, Chunghwa  
4 Malaysia, and representatives from their factories in Fuzhuo (China) and Scotland, participated  
5 in at least 100 Glass Meetings at all levels. A substantial number of these meetings were  
6 attended by the highest ranking executives from Chunghwa, including the former Chairman and  
7 CEO of CPT, C.Y. Lin. Chunghwa also engaged in bilateral discussions with each of the other  
8 Defendants on a regular basis. Through these discussions, Chunghwa agreed on prices and  
9 supply levels for CRT Products.

10 138. Defendant Tatung America was represented at those meetings and was a party to  
11 the agreements entered at them. To the extent Tatung America sold and/or distributed CRT  
12 Products to direct purchasers, it played a significant role in the conspiracy because Defendants  
13 wished to ensure that the prices for CRT Products paid by direct purchasers would not undercut  
14 the pricing agreements reached at the Glass Meetings. Thus, Tatung America was an active,  
15 knowing participant in the alleged conspiracy.

16 139. Between at least 1995 and 2004, Daewoo, through Daewoo Electronics, Orion  
17 and DOSA, participated in at least 100 Glass Meetings at all levels. A substantial number of  
18 these meetings were attended by the highest ranking executives from Daewoo. Daewoo also  
19 engaged in bilateral discussions with other Defendants on a regular basis. Through these  
20 discussions, Daewoo agreed on prices and supply levels for CRT Products. Bilateral discussions  
21 with Daewoo continued until Orion, its wholly-owned CRT subsidiary, filed for bankruptcy in  
22 2004. Daewoo never effectively withdrew from this conspiracy.

23 140. Between at least 1995 and 2003, Defendant Toshiba, through Toshiba  
24 Corporation, TDDT and TEDI, participated in several Glass Meetings. After 2003, Toshiba  
25 participated in the CRT conspiracy through its joint venture with Panasonic, MTPD. These  
26 meetings were attended by high level sales managers from Toshiba and MTPD. Toshiba also  
27 engaged in multiple bilateral discussions with other Defendants, particularly with LG. Through  
28



1 these discussions, Toshiba agreed on prices and supply levels for CRT Products. Toshiba never  
2 effectively withdrew from this conspiracy.

3 141. Defendants Toshiba America, Inc., TACP, TAIP and TAEC were represented at  
4 those meetings and were a party to the agreements entered at them. To the extent Toshiba  
5 America, Inc., TACP, TAIP and TAEC sold and/or distributed CRT Products to direct  
6 purchasers, they played a significant role in the conspiracy because Defendants wished to ensure  
7 that the prices for CRT Products paid by direct purchasers would not undercut the pricing  
8 agreements reached at the Glass Meetings. Thus, Toshiba America, TACP, TAIP, and TAEC  
9 were active, knowing participants in the alleged conspiracy.

10 142. Between at least 1996 and 2001, Defendant Hitachi, through Hitachi, Ltd., Hitachi  
11 Displays, Hitachi Shenzhen, and Hitachi Asia, participated in several Glass Meetings. These  
12 meetings were attended by high level sales managers from Hitachi. Hitachi also engaged in  
13 multiple bilateral discussions with other Defendants, particularly with Samsung. Through these  
14 discussions, Hitachi agreed on prices and supply levels for CRT Products. Hitachi never  
15 effectively withdrew from this conspiracy.

16 143. Defendants Hitachi America and HEDUS were represented at those meetings and  
17 were a party to the agreements entered at them. To the extent Hitachi America and HEDUS sold  
18 and/or distributed CRT Products to direct purchasers, they played a significant role in the  
19 conspiracy because Defendants wished to ensure that the prices for CRT Products paid by direct  
20 purchasers would not undercut the pricing agreements reached at the Glass Meetings. Thus,  
21 Hitachi America and HEDUS were active, knowing participants in the alleged conspiracy.

22 144. Between at least 1996 and 2003, Defendant Panasonic (known throughout the  
23 Relevant Period as Matsushita Electric Industrial Co., Ltd.), through Panasonic Corporation and  
24 Matsushita Malaysia, participated in several Glass Meetings. After 2003, Panasonic participated  
25 in the CRT conspiracy through its joint venture with Toshiba, MTPD. These meetings were  
26 attended by high level sales managers from Panasonic and MTPD. Panasonic also engaged in  
27 multiple bilateral discussions with other Defendants. Through these discussions, Panasonic  
28

1 agreed on prices and supply levels for CRT Products. Panasonic never effectively withdrew  
2 from this conspiracy.

3 145. Panasonic NA was represented at those meetings and was a party to the  
4 agreements entered at them. To the extent Panasonic NA sold and/or distributed CRT Products  
5 to direct purchasers, it played a significant role in the conspiracy because Defendants wished to  
6 ensure that the prices for CRT Products paid by direct purchasers would not undercut the pricing  
7 agreements reached at the Glass Meetings. Thus, Panasonic NA was an active, knowing  
8 participant in the alleged conspiracy.

9 146. Between at least 2003 and 2006, Defendant MTPD participated in multiple Glass  
10 Meetings and in fact led many of these meetings during the latter years of the conspiracy. These  
11 meetings were attended by high level sales managers from MTPD. MTPD also engaged in  
12 bilateral discussions with other Defendants. Through these discussions, MTPD agreed on prices  
13 and supply levels for CRT Products.

14 147. Between at least 1998 and 2007, Defendant BMCC participated in multiple Glass  
15 Meetings. These meetings were attended by high level sales managers from BMCC. BMCC  
16 also engaged in multiple bilateral discussions with other Defendants, particularly the other  
17 Chinese CRT manufacturers. Through these discussions, BMCC agreed on prices and supply  
18 levels for CRT Products. None of BMCC's conspiratorial conduct in connection with CRT  
19 Products was mandated by the Chinese government. BMCC was acting to further its own  
20 independent private interests in participating in the alleged conspiracy.

21 148. Between at least 1998 and 2007, Defendant IRICO, through IGC, IGE, and  
22 IDDC, participated in multiple Glass Meetings. These meetings were attended by the highest  
23 ranking executives from IRICO. IRICO also engaged in multiple bilateral discussions with other  
24 Defendants, particularly with other Chinese manufacturers. Through these discussions, IRICO  
25 agreed on prices and supply levels for CRT Products. None of IRICO's conspiratorial conduct in  
26 connection with CRT Products was mandated by the Chinese government. IRICO was acting to  
27 further its own independent private interests in participating in the alleged conspiracy.  
28

149. Between at least 1997 and 2006, Defendant Thai CRT participated in multiple Glass Meetings. These meetings were attended by the highest ranking executives from Thai CRT. Thai CRT also engaged in multiple bilateral discussions with other Defendants, particularly with Samtel. Through these discussions, Thai CRT agreed on prices and supply levels for CRT Products. Thai CRT never effectively withdrew from this conspiracy.

150. Between at least 1998 and 2006, Defendant Samtel participated in multiple bilateral discussions with other Defendants, particularly with Thai CRT. These meetings were attended by high level executives from Samtel. Through these discussions, Samtel agreed on prices and supply levels for CRT Products. Samtel never effectively withdrew from this conspiracy.

151. When Plaintiffs refers to a corporate family or companies by a single name in their allegations of participation in the conspiracy, Plaintiffs are alleging that one or more employees or agents of entities within the corporate family engaged in conspiratorial meetings on behalf of every company in that family. In fact, the individual participants in the conspiratorial meetings and discussions did not always know the corporate affiliation of their counterparts, nor did they distinguish between the entities within a corporate family. The individual participants entered into agreements on behalf of, and reported these meetings and discussions to, their respective corporate families. As a result, the entire corporate family was represented in meetings and discussions by their agents and were parties to the agreements reached in them.

**E. The CRT Market During The Conspiracy**

152. Until the last few years, CRTs were the dominant technology used in displays, including television and computer monitors. During the Relevant Period, this translated into the sale of millions of CRT Products, generating billions of dollars in annual profits.

153. The following data was reported by Stanford Resources, Inc., a market research firm focused on the global electronic display industry:

Year	Units Sold	Revenue (billion	Average Selling
------	------------	------------------	-----------------

	(millions)	US dollars)	Price Per Unit
1998	90.5	\$18.9	\$208
1999	106.3	\$19.2	\$181
2000	119.0	\$28.0	\$235

154. During the Relevant Period, North America was the largest market for CRT TVs and computer monitors. According to a report published by Fuji Chimera Research, the 1995 worldwide market for CRT monitors was 57.8 million units, 28 million of which (48.5 percent) were consumed in North America. By 2002, North America still consumed around 35 percent of the world's CRT monitor supply. *See, The Future of Liquid Crystal and Related Display Materials*, Fuji Chimera Research, 1997, p.12.

155. Defendants' collusion is evidenced by unusual price movements in the CRT Product market during the Relevant Period. In the 1990s, industry analysts repeatedly predicted declines in consumer prices for CRT Products that did not fully materialize. For example, in 1992, an analyst for Market Intelligent Research Corporation predicted that "[e]conomies of scale, in conjunction with technological improvements and advances in manufacturing techniques, will produce a drop in the price of the average electronic display to about \$50 in 1997." Information Display 9/92 p.19. Despite such predictions, and the existence of economic conditions warranting a drop in prices, CRT Product prices nonetheless remained stable.

156. In 1996, another industry source noted that "the price of the 14" tube is at a sustainable USD50 and has been for some years...."

157. In early 1999, despite declining production costs and the rapid entry of flat panel display products, the price of large sized color CRTs actually rose. The price increase was allegedly based on increasing global demand. In fact, this price increase was a result of the collusive conduct as herein alleged.

158. After experiencing oversupply of 17" CRTs in the second half of 1999, the average selling price of CRTs rose again in early 2000. A March 13, 2000 article in *Infotech Weekly* quoted an industry analyst as saying that this price increase was "unlike most other PC-related products."

1           159. A BNET Business Network news article from August 1998 reported that “key  
2 components (cathode ray tubes) in computer monitors have risen in price. ‘Although several  
3 manufacturers raised their CRT prices in the beginning of August, additional CRT price  
4 increases are expected for the beginning of October....While computer monitor price increases  
5 may be a necessary course of action, we [CyberVision, a computer monitor manufacturer] do not  
6 foresee a drop in demand if we have to raise our prices relative to CRT price increases.’”

7           160. A 2004 article from Techtree.com reports that various computer monitor  
8 manufacturers, including LG Electronics, Philips, and Samsung, were raising the price of their  
9 monitors in response to increases in CRT prices caused by an alleged shortage of glass shells  
10 used to manufacture the tubes. Philips is quoted as saying that, “It is expected that by the end of  
11 September this year [2004] there will be 20% hike in the price of our CRT monitors.”

12           161. Defendants also conspired to limit production of CRTs by shutting down  
13 production lines for days at a time, and closing or consolidating their manufacturing facilities.

14           162. For example, the Defendants’ CRT factory utilization percentage fell from 90  
15 percent in the third quarter of 2000 to 62 percent in the first quarter of 2001. This is the most  
16 dramatic example of a drop in factory utilization. There were sudden drops throughout the  
17 Relevant Period but to a lesser degree. Plaintiffs are informed and believe that these sudden,  
18 coordinated drops in factory utilization by the Defendants were the result of Defendants’  
19 agreements to decrease output in order to stabilize the prices of CRT Products.

20           163. During the Relevant Period, while demand in the United States for CRT Products  
21 continued to decline, Defendants’ conspiracy was effective in moderating the normal downward  
22 pressures on prices for CRT Products caused by the entry and popularity of the new generation  
23 LCD panels and plasma display products. As Finsen Yu, President of Skyworth Macao  
24 Commerical Offshore Co., Ltd., a television maker, was quoted in January of 2007: “[t]he CRT  
25 technology is very mature; prices and technology have become stable.”

26           164. During the Relevant Period, there were not only periods of unnatural and  
27 sustained price stability, but there were also increases in prices of CRT Products. These price  
28

1 increases were despite the declining demand due to the approaching obsolescence of CRT  
2 Products caused by the emergence of a new, potentially superior and clearly more popular,  
3 substitutable technology.

4 165. These price increases and price stability in the market for CRT Products during  
5 the Relevant Period are inconsistent with a competitive market for a product facing rapidly  
6 decreasing demand caused by a new, substitutable technology.

7 **F. International Government Antitrust Investigations**

8 166. On February 10, 2009, the Antitrust Division of the United States Department of  
9 Justice ("DOJ") issued a press release announcing that a federal grand jury in San Francisco had  
10 that same day returned a two-count indictment against the former Chairman and Chief Executive  
11 Officer of Defendant Chunghwa Picture Tubes, Ltd., Cheng Yuan Lin, aka C.Y. Lin, for his  
12 participation in global conspiracies to fix the prices of two types of CRTs used in computer  
13 monitors and televisions. The press release notes that "[t]his is the first charge as a result of the  
14 Antitrust Division's ongoing investigation into the cathode ray tubes industry." The press  
15 release further notes that Lin had previously been indicted for his participation in a conspiracy to  
16 fix the prices of TFT-LCDs. Mr. Lin's indictment states that the combination and conspiracy to  
17 fix the prices of CRTs was carried out, in part, in the Northern District of California.

18 167. The "ongoing investigation" referred to by the DOJ included raids and  
19 investigatory demands carried out by DOJ and antitrust authorities in Europe, Japan and South  
20 Korea on defendants including MT Picture Display Co., Ltd., the CRT unit of Defendant  
21 Panasonic, and Defendant Samsung SDI Co., Ltd.

22 168. On March 18, 2011, Samsung SDI pled guilty and agreed to pay a \$32 million  
23 criminal fine for its role in a global conspiracy to fix prices, reduce output and allocate market  
24 shares of color display tubes, a type of cathode ray tube used in computer monitors. The criminal  
25 information states that the illegal combination and conspiracy was carried out, in part, in the  
26 Northern District of California.

27 169. Preceding Samsung SDI's guilty plea, Wen Jun ("Tony") Cheng, Chung Cheng  
28



1 “Alex” Yeh, Seung-Kyu “Simon” Lee, Yeong-Ug “Albert” Yang and Jae-Sik “J.S.” Kim were  
2 indicted for their participation in the color display tube conspiracy.

3 170. In its 2008 Annual Report, Defendant Toshiba reports that “[t]he Group is also  
4 being investigated by the [European] Commission and/or the U.S. Department of Justice for  
5 potential violations of competition laws with respect to semiconductors, LCD products, cathode  
6 ray tubes (CRT) and heavy electrical equipment.”

7 171. On May 6, 2008, the Hungarian Competition Authority (“HCA”) announced its  
8 own investigation into the CRT cartel. The HCA described the cartel as follows:

9 The Hungarian Competition Authority (Gazdasági Versenyhivatal – GVH)  
10 initiated a competition supervision proceeding against the following  
11 undertakings: Samsung SDI Co., Ltd., Samsung SDI Germany GmbH,  
12 Samsung SDI Magyarország Zrt., Thomson TDP sp. Z.o.o., LG Philips  
13 Displays Czech Republic s.r.o., LP Displays, Chunghwa Picture Tubes  
14 (UK), Ltd., Chunghwa Picture Tubes, Ltd., Daewoo Orion S.A., Daewoo  
Electronics Global HQ, Daewoo Electronics European HQ, MT Picture  
Display Germany GmbH, Matsushita Global HQ, Matsushita European  
HQ.

15 Based on the data available, the undertakings mentioned above concerted  
16 their practice regarding the manufacturing and distribution of cathode-ray  
17 tubes (including coloured picture tubes and coloured screen tubes) on the  
18 European market between 1995 and 2007. The anti-competitive behaviour  
19 may have concerned the exchange of sensitive market information (about  
20 prices, volumes sold, demand and the extent to which capacities were  
exploited), price-fixing, the allocation of market shares, consumers and  
volumes to be sold, the limitation of output and coordination concerning  
the production. The undertakings evolved a structural system and  
functional mechanism of cooperation.

21 According to the available evidences it is presumable that the coordination  
22 of European and Asian undertakings regarding to the European market  
23 also included Hungary from 1995 to 2007. The coordination concerning  
24 the Hungarian market allegedly formed part of the European coordination.  
25 Samsung SDI Magyarország was called into the proceeding since it  
manufactured and sold cathode-ray tubes in Hungary in the examined  
period, and it allegedly participated in the coordination between its parent  
companies.

26 172. As outlined above, Defendants have a history of competitor contacts resulting  
27 from joint ventures, numerous cross-licensing agreements, and other alliances in related  
28

1 businesses in the electronics industry.

2 173. Several Defendants also have a history of “cooperation” and anticompetitive  
3 conduct. For example, Defendant Samsung was fined \$300 million by the U.S. Department of  
4 Justice in October 2005 for participating in a conspiracy to fix the prices of Dynamic Random  
5 Access Memory (DRAM). Four TFT-LCD manufacturers—LG Display Co., Ltd. (and its U.S.  
6 subsidiary, LG Display America, Inc.), Sharp Corporation, Defendant Hitachi Displays, Ltd., a  
7 subsidiary of Defendant Hitachi, Ltd., and Defendant Chunghwa Picture Tubes, Ltd.— agreed to  
8 plead guilty to violations of Section 1 of the Sherman Act, 15 U.S.C. § 1, and pay criminal fines  
9 for their roles in a conspiracy to fix prices of TFT-LCD panels.

#### 10 **IX. FRAUDULENT CONCEALMENT**

11 174. Throughout the Relevant Period, Defendants affirmatively and fraudulently  
12 concealed their unlawful conduct against Plaintiffs.

13 175. Plaintiffs did not discover, and could not discover through the exercise of  
14 reasonable diligence, that Defendants were violating the law as alleged herein until Defendants’  
15 officers pled guilty to or were indicted for fixing the prices of CRTs. Nor could Plaintiffs have  
16 discovered the violations earlier than that time because Defendants conducted their conspiracy in  
17 secret, concealed the nature of their unlawful conduct and acts in furtherance thereof, and  
18 fraudulently concealed their activities through various other means and methods designed to  
19 avoid detection. In addition, the conspiracy was by its nature self-concealing.

20 176. Defendants engaged in a successful, illegal price-fixing conspiracy with respect to  
21 CRT Products, which they affirmatively concealed, in at least the following respects:

- 22 a. By agreeing among themselves not to discuss publicly, or otherwise  
23 reveal, the nature and substance of the acts and communications in  
24 furtherance of their illegal scheme, and by agreeing to expel those who  
25 failed to do so;
- 26 b. By agreeing among themselves to limit the number of representatives from  
27 each Defendant attending the meetings so as to avoid detection;  
28

- c. By agreeing among themselves to refrain from listing the individual representatives of the Defendants in attendance at meetings in any meeting report;
- d. By agreeing among themselves to refrain from taking meeting minutes or taking any kind of written notes during the meetings;
- e. By giving false and pretextual reasons for their CRT Product price increases during the Relevant Period and by describing such pricing falsely as being the result of external costs rather than collusion;
- f. By agreeing among themselves on what to tell their customers about price changes, and agreeing upon which attendee would communicate the price change to which customer;
- g. By agreeing among themselves to quote higher prices to certain customers than the fixed price in effect to give the appearance that the price was not fixed;
- h. By agreeing among themselves upon the content of public statements regarding capacity and supply;
- i. By agreeing among themselves to eliminate references in expense reports which might reveal the existence of their unlawful meetings; and
- j. By agreeing on other means to avoid detection of their illegal conspiracy to fix the prices of CRT Products.

177. As a result of Defendants' fraudulent concealment of their conspiracy, Plaintiffs assert the tolling of any applicable statute of limitations affecting the rights of action of Plaintiffs.

## **X. VIOLATIONS ALLEGED**

### **A. First Claim for Relief: Violation of Section 1 of the Sherman Act**

178. Plaintiffs incorporate and reallege, as though fully set forth herein, each and every allegation set forth in the preceding paragraphs of this Complaint.

1           179. Beginning at a time unknown to Plaintiffs, but at least as early as March 1, 1995,  
2 through at least November 25, 2007, the exact dates being unknown to Plaintiffs and exclusively  
3 within the knowledge of Defendants, Defendants and their co-conspirators, entered into a  
4 continuing agreement, understanding, and conspiracy to unreasonably restrain trade and  
5 commerce in the United States, in violation of Section 1 of the Sherman Act, 15 U.S.C. §1.

6           180. In particular, Defendants have combined and conspired to fix, raise, maintain or  
7 stabilize the prices of CRT Products sold in the United States.

8           181. Defendants, by their unlawful conspiracy, artificially raised, inflated and  
9 maintained the market prices of CRT Products as herein alleged.

10          182. The contract, combination or conspiracy consisted of a continuing agreement,  
11 understanding and concert of action among Defendants and their co-conspirators, the substantial  
12 terms of which were to fix, raise, maintain and stabilize the prices of CRT Products they sold in  
13 the United States and elsewhere.

14          183. In formulating and carrying out the alleged agreement, understanding, and  
15 conspiracy, the Defendants and their co-conspirators did those things that they combined and  
16 conspired to do, including, but not limited to the acts, practices, and course of conduct set forth  
17 above, and the following, among others:

- 18           a. Participated in meetings and conversations to discuss the prices and supply  
19 of CRT Products in the United States and elsewhere;
- 20           b. Agreed to manipulate prices and limit supply of CRT Products sold in the  
21 United States and elsewhere in a manner that deprived direct and indirect  
22 purchasers of CRT Products of free and open competition;
- 23           c. Issued price announcements and price quotations in accordance with the  
24 agreements reached;
- 25           d. Sold CRT Products to customers in the United States at non-competitive  
26 prices; and
- 27           e. Invoiced customers in the United States at the agreed-upon, fixed prices  
28

1 for CRT Products and transmitting such invoices via U.S. mail and other  
2 interstate means of delivery.

3 184. The combination and conspiracy alleged herein has had the following effects,  
4 among others:

- 5 a. Price competition in the sale of CRT Products has been restrained,  
6 suppressed and/or eliminated in the United States;  
7 b. Prices for CRT Products sold by Defendants and their co-conspirators  
8 have been fixed, raised, maintained and stabilized at artificially high, non-  
9 competitive levels throughout the United States; and  
10 c. Those who purchased CRT Products directly or indirectly from  
11 Defendants have been deprived the benefits of free and open competition.

12 185. As a direct result of the unlawful conduct of Defendants and their co-conspirators  
13 in furtherance of their continuing contract, combination or conspiracy, Plaintiffs have been  
14 injured and will continue to be injured in their business and property by paying more for CRT  
15 Products purchased indirectly from the Defendants and their co-conspirators than they would  
16 have paid and will pay in the absence of the combination and conspiracy.

17 186. These violations are continuing and will continue unless enjoined by this Court.

18 187. Pursuant to Section 16 of the Clayton Act, 15 U.S.C. § 26, Plaintiffs seek the  
19 issuance of an injunction against Defendants, preventing and restraining the violations alleged  
20 herein.

21 **B. Second Claim For Relief: Violation of Minnesota's Antitrust Statute**

22 188. Plaintiffs incorporate and reallege, as though fully set forth herein, each and every  
23 allegation set forth in the preceding paragraphs of this Complaint.

24 189. Defendants agreed to, and did in fact, act in restraint of trade or commerce by  
25 affecting, fixing, controlling and/or maintaining, at artificial and/or non-competitive levels, the  
26 prices at which CRT Products were sold, distributed or obtained in Minnesota, in violation of  
27 Minnesota Stat. § 325D.51.  
28

190. Defendants' combinations or conspiracies had the following effects, in violation of Minn. Stat. § 325D.53: (1) CRT Product price competition was restrained, suppressed, and eliminated throughout Minnesota; (2) CRT Product prices were raised, fixed, maintained, and stabilized at artificially high levels throughout Minnesota; and (3) Plaintiffs paid supracompetitive, artificially inflated prices for CRT Products.

191. During the Relevant Period, Defendants' illegal conduct substantially affected Minnesota commerce.

192. As a direct and proximate result of Defendants' unlawful conduct, Plaintiffs have been injured in their business and property.

193. By reason of the foregoing, Defendants have entered into agreements in restraint of trade in violation of Minn. Stat. §§ 325D.49 *et seq.*, including without limitation Minn. Stat. §§ 325D.51 and 325.53. Accordingly, the Plaintiffs seek all forms of relief available under Minn. Stat. §§ 325D.49 *et seq.*, including without limitation Minn. Stat. §§ 325D.57 and 325D.58.

**C. Third Claim For Relief: Violation of the California Cartwright Act**

194. Plaintiffs incorporate and reallege, as though fully set forth herein, each and every allegation set forth in the preceding paragraphs of this Complaint.

195. Beginning at a time presently unknown to Plaintiffs, but at least as early as March 1, 1995, and continuing thereafter at least up to and including November 25, 2007, Defendants and their co-conspirators entered into and engaged in a continuing unlawful trust in restraint of the trade and commerce described above in violation of Section 16720, California Business and Professional Code. Defendants, and each of them, have acted in violation of Section 16720 to fix, raise, stabilize and maintain prices of CRT Products at supra-competitive levels.

196. The aforesaid violations of Section 16720, California Business and Professions Code, consisted, without limitation, of a continuing unlawful trust and concert of action among the Defendants and their co-conspirators, the substantial terms of which were to fix, raise, maintain and stabilize the prices of, and to allocate markets for CRT Products.

197. For the purpose of forming and effectuating the unlawful trust, the defendants and



1 their co-conspirators have done those things which they combined and conspired to do, including  
 2 but in no way limited to the acts, practices, and course of conduct set forth above and the  
 3 following: (1) fixing, raising, stabilizing and/or maintaining the price of CRT Products; and (2)  
 4 allocating among themselves the production of CRT Products.

5 198. The combination and conspiracy alleged herein has had, *inter alia*, the following  
 6 effects: (1) price competition in the sale of CRT Products has been restrained, suppressed and/or  
 7 eliminated in the State of California; (2) prices for CRT Products sold by Defendants and their  
 8 co-conspirators have been fixed, raised, maintained and stabilized at artificially high, non-  
 9 competitive levels in the State of California; and (3) those who purchased CRT Products directly  
 10 or indirectly from Defendants and their co-conspirators have been deprived of the benefit of free  
 11 and open competition.

12 199. As a direct and proximate result of Defendants' unlawful conduct, Plaintiffs have  
 13 been injured in their business and property in that they paid more for CRT Products than they  
 14 otherwise would have paid in the absence of Defendants' unlawful conduct. As a result of  
 15 Defendants' violation of Section 16720 *et seq.* of the California Business and Professions Code,  
 16 Plaintiffs seek treble damages and the costs of suit, including reasonable attorneys' fees,  
 17 pursuant to Section 16750(a) of the California Business and Professions Code.

18 **D. Fourth Claim For Relief: Violation of California's Unfair Competition Statute**

19 200. Plaintiffs incorporate and reallege, as though fully set forth herein, each and every  
 20 allegation set forth in the preceding paragraphs of this Complaint.

21 201. Defendants engaged in unfair competition or unfair, unconscionable, deceptive or  
 22 fraudulent acts or practices in violation of the state consumer protection and unfair competition  
 23 statutes listed below.

24 202. Beginning on a date unknown to Plaintiffs, but at least as early as March 1, 1995,  
 25 and continuing thereafter at least up through and including November 25, 2007, Defendants  
 26 committed and continue to commit acts of unfair competition, as defined by Sections 17200, *et*  
 27 *seq.* of the California Business and Professions Code, by engaging in the acts and practices  
 28

1 specified above.

2       203. This claim is instituted pursuant to Sections 17203 and 17204 of the California  
3 Business and Professions Code, to obtain restitution from these Defendants for acts, as alleged  
4 herein, that violated Section 17200 of the California Business and Professions Code, commonly  
5 known as the Unfair Competition Law.

6       204. The Defendants' conduct as alleged herein violated Section 17200. The acts,  
7 omissions, misrepresentations, practices and non-disclosures of Defendants, as alleged herein,  
8 constituted a common continuous and continuing course of conduct of unfair competition by  
9 means of unfair, unlawful and/or fraudulent business acts or practices within the meaning of  
10 California Business and Professions Code, Section 17200, *et seq.*, including, but not limited to,  
11 the following: (1) the violations of Section 1 of the Sherman Act, as set forth above; and (2) the  
12 violations of Section 16720, *et seq.*, of the California Business and Professions Code, set forth  
13 above.

14       205. Defendants' acts, omissions, misrepresentations, practices and non-disclosures, as  
15 described above, whether or not in violation of Section 16720, *et seq.* of the California Business  
16 and Professions Code, and whether or not concerted or independent acts, are otherwise unfair,  
17 unconscionable, unlawful or fraudulent; Defendants' act and practices are unfair to consumers of  
18 CRT Products in the State of California and throughout the United States, within the meaning of  
19 Section 17200, California Business and Professions Code.

20       206. Defendants' acts and practices are fraudulent or deceptive within the meaning of  
21 Section 17200 of the California Business and Professions Code.

22       207. Plaintiffs are entitled to full restitution and/or disgorgement of all revenues,  
23 earnings, profits, compensation, and benefits that may have been obtained by Defendants as a  
24 result of such business acts or practices.

25       208. The illegal conduct alleged herein is continuing and there is no indication that  
26 Defendants will not continue such activity into the future.

27       209. The unlawful and unfair business practices of Defendants, and each of them, as  
28

described above, have caused Plaintiffs to pay supra-competitive and artificially-inflated prices for CRT Products. Plaintiffs suffered injury in fact and lost money or property as a result of such unfair competition.

210. The conduct of Defendants as alleged in this Complaint violates Section 17200 of the California Business and Professions Code.

211. As alleged in this Complaint, Defendants and their co-conspirators have been unjustly enriched as a result of their wrongful conduct and by Defendants' unfair competition. Plaintiffs are accordingly entitled to equitable relief including restitution and/or disgorgement of all revenues, earnings, profits, compensation and benefits which may have been obtained by Defendants as a result of such business practices, pursuant to California Business & Professions Code §17200 *et seq.*

**E. Fifth Claim for Relief: Unjust Enrichment and Disgorgement of Profits**

212. Plaintiffs incorporate and reallege, as though fully set forth herein, each and every allegation set forth in the preceding paragraphs of this Complaint.

213. Defendants have been unjustly enriched through overpayments by Plaintiffs and the resulting profits.

214. Under common law principles of unjust enrichment, Defendants should not be permitted to retain the benefits conferred via overpayments by Plaintiffs.

215. Plaintiffs seek disgorgement of all profits resulting from such overpayments and establishment of a constructive trust from which Plaintiffs may seek restitution.

**XI. PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs prays as follows:

A. That the Court adjudge and decree that the unlawful conduct, contract, combination and conspiracy alleged herein constitutes:

a. A violation of the Sherman Act, 15 U.S.C. §1, as alleged in the First Claim for Relief;

- b. A violation of the antitrust laws of the State of Minnesota as alleged in the Second Claim for Relief;
- c. A violation of California's Cartwright Act as alleged in the Third Claim for Relief;
- d. A violation of California's Unfair Competition Statute, as alleged in the Fourth Claim for Relief; and
- e. Unjust enrichment for which Defendants' profits should be disgorged.

B. That Plaintiffs recover damages, as provided by the state antitrust laws alleged herein, and that a joint and several judgment in favor of Plaintiffs be entered against the Defendants in an amount to be trebled in accordance with such laws;

C. That Defendants, their co-conspirators, successors, transferees, assigns, parents, subsidiaries, affiliates, and the officers, directors, partners, agents and employees thereof, and all other persons acting or claiming to act on behalf of Defendants, or in concert with them, be permanently enjoined and restrained from, in any manner, directly or indirectly, continuing, maintaining or renewing the combinations, conspiracy, agreement, understanding or concert of action, or adopting or following any practice, plan, program or design having a similar purpose or effect in restraining competition;

D. That the Court award Plaintiffs pre-judgment and post-judgment interest as permitted by law;

E. That Plaintiffs recover its costs of suit, including reasonable attorneys' fees as provided by law; and

F. That the Court award Plaintiffs such other and further relief as may be necessary and appropriate.

## **XII. JURY DEMAND**

Plaintiffs demand a trial by jury of all of the claims asserted in this Complaint so triable.

1 DATED: 11/4/11

LINDQUIST & VENNUM P.L.L.P.

2  
3 By Jessica Meyer

Jessica L. Meyer, (CA # 249064)

jmyer@lindquist.com

James M. Lockhart (not admitted)

jlockhart@lindquist.com

James P. McCarthy (not admitted)

jmccarthy@lindquist.com

Kelly G. Laudon (not admitted)

klaudon@lindquist.com

Lindquist & Vennum P.L.L.P.

4200 IDS Center

80 South Eighth Street

Minneapolis, MN 55402

(612) 371-3211

ATTORNEYS FOR PLAINTIFFS

**EXHIBIT A**

**Plaintiffs:**

**John R. Stoebner, as Chapter 7 Trustee for PBE Consumer Electronics, LLC and related entities; and  
Douglas A. Kelley, as Chapter 11 Trustee for Petters Company, Inc. and related entities, and as Receiver for Petters Company, LLC and related entities**

**Defendants:**

**LG Electronics, Inc.;  
LG Electronics U.S.A., Inc.;  
LG Electronics Taiwan Taipei Co., Ltd.;  
Koninklijke Philips Electronics N.V. a/k/a Royal Philips Electronics N.V.;  
Philips Electronics North America Corporation;  
Philips Electronics Industries (Taiwan), Ltd.;  
Philips da Amazonia Industria Electronica Ltda;  
LP Displays International, Ltd. f/k/a LG.Philips Displays;  
Samsung Electronics Co., Ltd.;  
Samsung Electronics America, Inc.;  
Samsung SDI Co., Ltd. f/k/a Samsung Display Device Co., Ltd.;  
Samsung SDI America, Inc.;  
Samsung SDI Mexico S.A. de C.V.;  
Samsung SDI Brasil Ltda.;  
Shenzhen Samsung SDI Co., Ltd.;  
Tianjin Samsung SDI Co., Ltd.;  
Samsung SDI (Malaysia) Sdn. Bhd.;  
Toshiba Corporation;  
Toshiba America, Inc.;  
Toshiba America Consumer Products, LLC;  
Toshiba America Information Systems, Inc.;  
Toshiba America Electronics Components, Inc.;  
Toshiba Display Devices (Thailand) Company, Ltd.;  
Panasonic Corporation;  
Panasonic Corporation of North America;  
MT Picture Display Co., Ltd.;  
Beijing-Matsushita Color CRT Company, Ltd.;  
Hitachi, Ltd.;  
Hitachi Displays, Ltd.,  
Hitachi Electronic Devices (USA), Inc.;  
Hitachi America, Ltd.;  
Hitachi Asia, Ltd.;  
Shenzhen SEG Hitachi Color Display Devices, Ltd.;**



**Tatung Company of America, Inc.,  
Chunghwa Picture Tubes Ltd.;  
Chunghwa Picture Tubes (Malaysia) Sdn. Bhd.;  
IRICO Group Corporation;  
IRICO Display Devices Co., Ltd.;  
IRICO Group Electronics Co., Ltd.;  
Thai CRT Company, Ltd.; and  
Samtel Color, Ltd.**